

P.S.C. ELECTRIC NO. 9
CANCELS P.S.C. ELECTRIC NO. 8

(T)

Cancels and Supersedes all Previous Schedules

KENTUCKY POWER COMPANY

SCHEDULE OF TARIFFS, TERMS AND CONDITIONS OF SERVICE GOVERNING SALE OF ELECTRICITY

**In the Kentucky territory served
By Kentucky Power Company
As stated on Sheet No. 1**

**Issued by
Errol K. Wagner, Director Regulatory Services
Frankfort, Kentucky**

Issued: July 16, 2010

Effective: June 29, 2010

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ISSUED BY


E.K. WAGNER

DIRECTOR OF REGULATORY SERVICES

FRANKFORT, KENTUCKY

NAME

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THE ABOVE TARIFFS ARE APPLICABLE TO THE ENTIRE TERRITORY
SERVED BY KENTUCKY POWER COMPANY AS ON FILE WITH THE PUBLIC SERVICE COMMISSION
AT BOYD, BREATHITT, CARTER, CLAY, ELLIOTT, FLOYD, GREENUP, JOHNSON, KNOTT, LAWRENCE, LESLIE,
LETCHER, LEWIS, MAGOFFIN, MARTIN, MORGAN, OWSLEY, PERRY, PIKE AND ROWAN COUNTIES.

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TERMS AND CONDITIONS OF SERVICE**1. APPLICATION.**

A copy of the tariffs and standard terms and conditions under which service is to be rendered to the Customer will be furnished upon request and the Customer shall elect upon which tariff applicable to his service his application shall be based.

If the Company requires a written agreement from a Customer before service will be commenced, a copy of the agreement will be furnished to the Customer upon request.

When the Customer desires delivery of energy at more than one point, a separate agreement may be required for each separate point of delivery. Service delivered at each point of delivery will be billed separately under the applicable tariff.

2. INSPECTION.

The Customer is responsible for the proper installation and maintenance of the customer's wiring and electrical equipment and the customer shall at all times be responsible for the character and condition thereof. The Company has no obligation to undertake inspection thereof and in no event shall be responsible therefore. However, the Company may refuse to connect to the customer's system if such connection is deemed unsafe by the Company.

Where a Customer's premises are located in a municipality or other governmental subdivision where inspection laws or ordinances are in effect, the Company may withhold furnishing service to new installations until the Company has received evidence that the inspection laws or ordinances have been complied with.

Where a Customer's premises are located outside of an area where inspection service is in effect, the Company may require the delivery by the Customer to the Company of an agreement duly signed by the owner and/or tenant of the premises authorizing the connection to the wiring system of the Customer and assuming responsibility therefore. No responsibility shall attach to the Company because of any waiver of this requirement.

3. SERVICE CONNECTIONS.

Service connections will be provided in accordance with 807 KAR 5:041, Section 10.

The Customer should in all cases consult the Company before the Customer's premises are wired to determine the location of Company's point of service connection.

The Company will, when requested to furnish service, designate the location of its service connection. The Customer's wiring must, except for those cases listed below, be brought outside the building wall nearest the Company's service wires so as to be readily accessible thereto. When service is from an overhead system, the Customer's wiring must extend at least 18 inches beyond the building. Where Customers install service entrance facilities which have capacity and layout specified by the Company and/or install and use certain equipment specified by the Company, the Company may supply or offer to own certain facilities on the Customer's side of the point where the service wires attach to the building.

All inside wiring must be grounded in accordance with the requirements of the National Electrical Code or the requirements of any local inspection service authorized by a state or local authority.

When a Customer desires that energy be delivered at a point or in a manner other than that designated by the Company, the Customer shall pay the additional cost of same.

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TERMS AND CONDITIONS OF SERVICE (Cont'd)**4. DEPOSITS.**

Prior to providing service or at any time thereafter, the Company may require a cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Upon request from a residential customer the deposit will be returned after 18 months if the customer has established a satisfactory payment record; but commercial deposits will be retained during the entire time that the account remains active.

A. Interest

Interest will be paid on all sums held on deposit at the rate indicated in KRS 278.460. The interest will be applied by the Company as a credit to the Customer's bill or will be paid to the Customer on an annual basis. If the deposit is refunded or credited to the Customer's bill prior to the deposit anniversary date, interest will be paid or credited to the Customer's bill on a pro-rated basis.

The Company will not pay interest on deposits after discontinuance of service to the Customer. Retention of any deposit or guaranty by the Company prior to final settlement is not a payment or partial payment of any bill for service. The Company shall have a reasonable time in which to obtain a final reading and to ascertain that the obligations of the Customer have been fully performed before being required to return any deposits.

B. Criteria for Waiver of Deposit Requirement

The Company may waive any deposit requirement based upon the following criteria, which shall be considered by the Company cumulatively.

1. Satisfactory payment history.
2. Statement from another utility showing satisfactory payment history.
3. Another customer with satisfactory payment history is willing to sign as a guarantor for an amount equal to the required deposit.
4. Providing evidence of other collateral acceptable to Company, such as Surety Bond.
5. Checkless Payment Plan (CPP)

C. Method of Determination**1. Calculated Deposits**

- a. Deposit amounts paid by residential customers shall not exceed a calculated amount based upon actual usage data of the Customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the Customer's actual or estimated annual bill.
- b. Deposit amounts paid by commercial and industrial customers shall not exceed a calculated amount based upon actual usage data of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If the actual usage data is not available, the deposit amount shall be based on the typical bills of similar customers and premises in the customer class. The deposit shall not exceed 2/12 of the customer's actual or estimated annual bill.

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Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TERMS AND CONDITIONS OF SERVICE (Cont'd)**4. DEPOSITS, (Cont'd.)****D. Additional or Supplemental Deposit Requirement**

If a deposit has been waived or returned and the Customer fails to maintain a satisfactory payment record the Customer may be required to pay an additional or supplemental deposit. Except for residential customers, an additional or supplemental deposit may be required if the Customer's credit rating falls to a C level or below as reported by a national credit reporting agency. Factors to be considered when evaluating if a Customer fails to maintain a satisfactory payment record include, but are not limited to; integrity of past payments (returned checks), account credit activity, age of arrearage and frequency of late payments, all during the most recent six month period. The Customer will receive a message on the bill informing the Customer that if the account is not current by the specified date listed on the bill an additional or supplemental deposit will be charged to the account the next time the account is billed. If a change in usage or classification of service has occurred, the Customer may be required to pay an additional deposit up to 2/12 of the annual usage.

(T)

E. Recalculation of Customers Deposit

When a deposit is held longer than 18 months, the Customer may request that the deposit be recalculated based on the Customer's actual usage. If the amount of deposit on the account differs from the recalculated amount by more than \$10.00 for a residential Customer or 10 percent for a non-residential Customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the Customer's bill. No refund will be made if the Customer's bill is delinquent at the time of the recalculation.

5. PAYMENTS.

Bills will be rendered by the Company to the Customer monthly or in accordance with the tariff selected applicable to the Customer's service.

A. Equal Payment Plan

Residential Customers have the option of paying a fixed amount each month under the Company's Equal Payment Plan. The monthly payment amount will be based on one-twelfth of the Customers' estimated annual usage. The payment amount is subject to periodic review and adjustment during the budget year to more accurately reflect actual usage. The normal plan period is 12 months, which may commence in any month.

In the last month of the plan, if the actual usage during the plan period exceeds the amount billed, the Customer will be billed for the balance due. If an overpayment exists, the amount of overpayment will either be refunded to the Customer or credited to the last bill of the period. If a Customer discontinues service with the Company under the Equal Payment Plan, any amounts not yet paid shall become payable immediately.

If a Customer fails to pay bills as rendered under the Equal Payment Plan, the Company reserves the right to revoke the plan, restore the Customer to regular billing, require immediate payment of any deficiency, and require a cash deposit or other guaranty to secure payment of bills.

B. Average Monthly Payment Plan (AMP)

The Average Monthly Payment Plan (AMP Plan) is available to the following applicable tariffs; R S ; R S -L M-T O.D ; Experimental R S-T.O.D 2 ; S.G.S , and S.G.S-T.O.D. When mutually agreeable the AMP Plan may be offered by the Company to Customers serviced under other tariffs.

(T)

The AMP Plan is designed to allow the Customer to pay an average amount each month based upon the actual billed amounts during the past twelve (12) months. The average payment amount is based upon the current month's total bill plus the eleven (11) preceding months. That result is divided by the total billing days associated with the billings to determine a per day average. The daily average amount is multiplied by thirty (30) to determine the current month's payment under the AMP Plan. At the next billing period, the oldest month's billing history is removed, the current month's billing is added and the total is again divided by the total billing days associated with the billings to determine a per day average. Again the daily average amount is multiplied by thirty (30) to find the new average payment amount. The average monthly payment amount is calculated each and every month in this manner.

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TERMS AND CONDITIONS OF SERVICE (Cont'd)**B. AVERAGE MONTHLY PAYMENT PLAN (AMP) (CONT'D).**

The difference between the actual billings and the AMP Plan billings will be carried in a deferred balance. Both the debit and credit differences will accumulate in the deferred balance for the duration of the AMP Plan year, which is twelve consecutive billings months. At the end of the AMP Plan year (anniversary month), the current month's billing plus the eleven (11) preceding month's billing is summed and divided by the total billing days associated with the billings to determine a per day average. That result is multiplied by thirty (30) to calculate the AMP Plan's monthly payment amount. In addition, the net accumulated deferred balance is divided by 12. This result is added or subtracted to the calculated average payment amount starting with the next billing of the new AMP plan year and will be used in the average payment amount calculation for the remaining AMP plan year. Settlement occurs only when participation in the AMP Plan is terminated. This happens if any account is final billed, if the customer requests termination, or at the Company's discretion when the customer fails to make two or more consecutive monthly payments on an account by the due date. The deferred balance (debit or credit) is then applied to the billing now due.

In such instances where sufficient billing history is not available, an AMP Plan may be established by using the actual billing history available throughout the first AMP Plan year.

C. ALL PAYMENTS.

All bills are payable at the business offices or authorized collection agencies of the Company within the time limits specified in the tariff. Failure to receive a bill will not entitle a Customer to any discount or to the remission of any charges for non-payment within the time specified. The word "month" as used herein and in the tariffs is hereby defined to be the elapsed time between 2 successive meter readings approximately 30 days apart.

In the event of the stoppage of or the failure of any meter to register the full amount of energy consumed, the Customer will be billed for the period based on an estimated consumption of energy in a similar period of like use.

The tariffs of the Company are net if the account of the Customer is paid within the time limit specified in the tariff applicable to the Customer's service. To discourage delinquency and encourage prompt payment within the specified time limit, certain tariffs contain a delayed payment charge, which may be added in accordance with the tariff under which service is provided. Any one delayed payment charge billed against the Customer for non-payment of bill or any one forfeited discount applied against the Customer for non-payment of bill may be remitted, provided the Customer's previous accounts are paid in full and provided no delayed payment charge or forfeited discount has been remitted under this clause during the preceding 6 months.

6. UNDERGROUND SERVICE.

When a real estate developer desires an underground distribution system within the property which he is developing or when a Customer desires an underground service, the real estate developer or the Customer, as the case may be, shall pay the Company the difference between the anticipated cost of the underground facilities so requested and the cost of the overhead facilities which would ordinarily be installed in accordance with 807 KAR 5:041, Section 21, and the Company's underground service plan as filed with the Public Service Commission. Upon receipt of payment, the Company will install the underground facilities and will own, operate and maintain the same.

7. COMPANY'S LIABILITY.

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but does not guarantee uninterrupted service. The Company shall not be liable for damages in case such supply should be interrupted or fail by reason of an event of Force Majeure. Force Majeure consists of an event or circumstance which prevents Company from providing service, which event or circumstance was not anticipated, which is not in the reasonable control of, or the result of negligence of, the Company, and which, by the exercise of due diligence, Company is unable to overcome or avoid or causes to be avoided. Force Majeure events includes act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines or other facilities of the Company, or extraordinary repairs.

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TERMS AND CONDITIONS OF SERVICE (Cont'd)**7. COMPANY'S LIABILITY (Cont'd)**

Unless otherwise provided in a contract between the Company and Customer, the point at which service is delivered by Company to Customer, to be known as "delivery point," shall be the point at which the Customer's facilities are connected to the Company's facilities. The metering device is the property of the Company; however, the meter base, connection and grounds and all associated internal parts inside the meter base are customer owned and are the responsibility of the customer to install and maintain. The Company shall not be liable for any loss, injury, or damage resulting from the Customer's use of their equipment or occasioned by the energy furnished by the Company beyond the delivery point. (T)

The Customer shall provide and maintain suitable protective devices on their equipment to prevent any loss, injury or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices. The Company shall not be liable for any damages, whether direct, incidental or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity occasioned by interruptions, fluctuations, or irregularity in the supply of energy. (T)

The Company is not responsible for loss or damage caused by the disconnection or reconnection of its facilities. The Company is not responsible for loss or damages caused by the theft or destruction of Company facilities by a third party. (T)

The Company will provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus, which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the Company.

8. CUSTOMER'S LIABILITY.

In the event of loss or injury to the property of the Company through misuse by, or the negligence of, the Customer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Company by the Customer.

Customers will be responsible for tampering with, interfering with, or breaking of seals of meters, or other equipment of the Company installed on the Customer's premises. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus, which shall be the property of the Company.

The Company shall have the right at all reasonable hours to enter the premises of the Customer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of its apparatus and property, and the right of entire removal of the Company's property in the event of the termination of the contract for any cause.

9. EXTENSION OF SERVICE.

The electric facilities of the Company shall be extended or expanded to supply electric service to all residential Customers and small commercial Customers which require single phase line where the installed transformer capacity does not exceed 25 KVA in accordance with 807 KAR 5.041, Section 11.

The electric facilities of the Company shall be extended or expanded to supply electric service to Customers other than those named in the above paragraph when the estimated revenue is sufficient to justify the estimated cost of making such extensions or expansions as set forth below.

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TERMS AND CONDITIONS OF SERVICE (Cont'd)**9. EXTENSION OF SERVICE (Cont'd)**

For service to be delivered to Commercial, Industrial, Mining and multiple housing project Customers up to and including estimated demands of 500 KW requiring new facilities, the Company will: (a) where the estimated revenue for one year exceeds the estimated installed cost of new local facilities required, provide such new facilities at no cost to the Customer; (b) where the estimated revenue for one year is less than the installed cost of new local facilities required, the Customer will be required to pay a contribution in aid of construction equal to the difference between the installed cost of the new facilities required to serve the load and the estimated revenue for one year; (c) if the Company has reason to question the financial stability of the Customer and/or the life of the operation is uncertain or temporary in nature, such as construction projects, oil and gas well drilling, sawmills and mining operations, the Customer shall pay a contribution in aid of construction, consisting of the estimated labor cost to install and remove the facilities required plus the cost of unsalvageable material, before the facilities are installed.

For service to be delivered to Customers with demand levels higher than those specified above, the annual cost to serve the Customer's requirements shall be compared with the estimated revenue for one year to determine if a contribution in aid of construction, and/or a special minimum and/or other arrangement may be necessary. The annual cost to serve shall be the sum of the following components:

1. The annual fixed costs of the generation, transmission and distribution facilities related to the Customer's requirements. These fixed costs will be calculated at 21.95% of the value to be based on the year-end embedded investment depreciated in all similar facilities of the Company.
2. The annual energy costs based on the latest available production costs related to the Customer's estimated annual energy use requirements.
3. The annual fixed costs of the new local facilities necessary to provide the service requested calculated at 21.95% of the installed cost of such facilities.

If the estimated revenue for one year is greater than the cost to serve as described herein, the Company may provide any new local facilities required at no cost to the Customer. If the estimated revenue for one year is less than the cost to serve as described herein, the Company will require the Customer to pay a contribution in aid of construction equal to the difference between the annual cost to serve as calculated and the estimated revenue for one year divided by 21.95%, but in no case to exceed the installed cost of the new facilities required. If, however, the annual cost to serve excluding the cost of new facilities paid for by the Customer, exceeds the estimated revenue for one year, the Company, will, in addition to a contribution in aid of construction, require a special minimum or other arrangement to compensate the Company for such deficiency in revenue.

Except where service is rendered in accordance with 807 KAR 5:041, Section 11, as described herein, the Company may require the Customer to execute an Advance and Refund Agreement where the Company reasonably questions the longevity of the service or the estimated energy use and demand requirements provided by the Customer. Under the Advance and Refund Agreement, the Customer shall pay the Company the estimated total installed cost of the required new facilities which advance could be refunded over a five-year period under certain conditions. Over the five year period the Customer's electric bill would be credited each month up to the amount of 1/60th of the total amount advanced. Such credit shall be applied only to that portion of the Customer's bill, which exceeds a specified minimum. The specified minimum before refund shall be established as the greater of: (1) the minimum as described under the applicable tariff or (2) the amount representing 1/12th of the calculated annual cost to serve as described herein. In the event the Customer's monthly bill in any month does not exceed such minimum by an amount equal to 1/60th of the amount advanced, the difference between 1/60th of the amount advanced and the amount, if any, actually credited to the Customer's bill shall be designated as "accrued credit" and applied to future monthly bills over the balance of the 5 year period as credit where such monthly bills exceed the established minimum by more than 1/60th of the amount advanced.

10. EXTENSION OF SERVICE TO MOBILE HOME.

The electrical facilities of the Company will be extended or expanded to supply electric service to mobile homes in accordance with 807 KAR 5:041, Section 12.

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TERMS AND CONDITIONS OF SERVICE (Cont'd)**11. LOCATION AND MAINTENANCE OF COMPANY'S EQUIPMENT.**

The Company shall have the right to construct its poles, lines and circuits on the property, and to place its transformers and other apparatus on the property or within the building of the Customer, at a point or points convenient for such purposes, as required to serve such Customer, and the Customer shall provide suitable space for the installation of necessary measuring instruments so that the latter may be protected from injury by the elements or through the negligence or deliberate acts of the Customer or of any employee of the same.

12. BILLING FORM.

Pursuant to 807 KAR 5:006, Section 6(3) copies of the billing forms used by the Company are shown on Sheet Nos. 2-11, 2-12 and 2-13 and 2-14.

13. RATE SCHEDULE SELECTION.

The Company will explain to the Customer, at the beginning of service or upon request the Company's rates available to the Customer. Company will assist Customer in the selection of the rate schedule best adapted to Customer's service requirements, provided, however, that Company does not assume responsibility for the selection or that Customer will at all times be served under the most favorable rate schedule.

Customer may change their initial rate schedule selection to another applicable rate schedule at any time by either written notice to Company and/or by executing a new contract for the rate schedule selected, provided that the application of such subsequent selection shall continue for 12 months before any other selection may be made. In no case will the Company refund any monetary difference between the rate schedule under which service was billed in prior periods and the newly selected rate schedule.

14. MONITORING USAGE.

At least once annually the Company will monitor the usage of each customer according to the following procedure:

1. The Customer's monthly usage will be compared with the usage of the corresponding period of the previous year.
2. If the monthly usage for the two periods are substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all customers, no further review will be made.
3. If the monthly usage is not substantially the same and cannot be attributed to a readily identified common cause, the Company will compare the Customer's monthly usage records for the 12-month period with the monthly usage for the same months of the preceding year.
4. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, the Company will contact the Customer to determine whether there have been changes that explain the increased or decreased usage.
5. Where the deviation is not otherwise explained, the Company will test the Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.
6. The Company will notify the customers of the investigation, its findings, and any refunds or back billing in accordance with 807 KAR 5:006, Section 10(4) and (5).

In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading, billing processes, or customer inquiry.

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TERMS AND CONDITIONS OF SERVICE (Cont'd)**15. USE OF ENERGY BY CUSTOMER.**

The tariffs for electric energy given herein are classified by the character of use of such energy and are not available for service except as provided herein.

Upon the expiration of an electric service contract, if required by the terms of the tariff, the Customer may elect to renew the contract upon the same or another tariff published by the Company available to the Customer and applicable to the Customer's requirements, except that in no case shall the Company be required to maintain transmission, switching or transformation equipment different from or in addition to that generally furnished to other Customers receiving electrical supply under the terms of the tariff elected by the Customer.

The service connections, transformers, meters and appliances supplied by the Company for each Customer have a definite capacity and no additions to the equipment, or load connected thereto, will be allowed except by consent of the Company.

The Customer shall install only motors, apparatus or appliances which are suitable for operation with the character of the service supplied by the Company, and which shall not be detrimental to same, and the electric energy must not be used in such a manner as to cause unprovided for voltage fluctuations or disturbances in the Company's transmission or distribution system. The Company shall be the sole judge as to the suitability of apparatus or appliances, and also as to whether the operation of such apparatus or appliances is or will be detrimental to its general service.

No attachment of any kind whatsoever may be made to the Company's lines, poles, cross arms, structures or other facilities without the express written consent of the Company.

All apparatus used by the Customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and the proper balancing of phases. Motors which are frequently started or motors arranged for automatic control must be of a type to give maximum starting torque with minimum current flow, and must be of a type, and equipped with controlling devices, approved by the Company. The Customer agrees to notify the Company of any increase or decrease in his connected load.

The Company will not supply service to Customers who have other sources of electrical energy supply except under tariffs, which specifically provide for same.

The Customer shall not be permitted to operate generating equipment in parallel with the Company's service except with express written consent of the Company.

Resale of energy will be permitted only with express written consent by the Company.

16. RESIDENTIAL SERVICE.

Individual residences shall be served individually with single-phase service under the applicable residential service tariff. Customer may not take service for 2 or more separate residences through a single point of delivery under any tariff. Exclusions may be allowed pursuant to 807 KAR 5:046 (Prohibition of master metering).

The residential service tariff shall cease to apply to that portion of a residence which becomes regularly used for business, professional, institutional or gainful purposes, which requires three phase service or which requires service to motors in excess of 10 HP each. Under these circumstances, Customer shall have the choice of: (1) separating the wiring so that the residential portion of the premises is served through a separate meter under the residential service tariff and the other uses as enumerated above are served through a separate meter or meters under the applicable general service tariff, or (2) taking the entire service under the applicable general service tariff.

Detached building or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the Customer's residence wiring through the residence meter and under the applicable residential service tariff.

(Cont'd on Sheet No. 2-9)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TERMS AND CONDITIONS OF SERVICE (Cont'd)**17. DENIAL OR DISCONTINUANCE OF SERVICE.**

The Company reserves the right to refuse to serve any applicant for service or to discontinue to serve any Customer if the applicant or Customer is indebted to the Company for any service theretofore rendered at any location; provided however, the Customer shall be notified in writing in accordance with 807 KAR 5:006, Section 14, before disconnection of service.

The Company reserves the right to discontinue to serve any Customer for failure to provide and maintain adequate security for the payment of bills as requested by the Company, for failure to comply with these terms and conditions or to prevent fraud upon the Company.

Any discontinuance of service shall not terminate the contract for electric service between the Company and the Customer nor shall it abrogate any minimum charge, which may be effective.

18. EMPLOYEES' DISCOUNT.

Regular employees who have been in the Company's employ for 6 months or more may, at the discretion of the Company, receive a reduction in their residence electric bills for the premises occupied by the employee.

19. SPECIAL CHARGES.**A. Reconnection and Disconnect Charges**

In cases where the Company has discontinued service as herein provided for, the Company reserves the right to assess a reconnection charge pursuant to 807 KAR 5:006, Section 8 (3)(b), payable in advance, in accordance with the following schedule. However, those Customers qualifying for Winter Hardship Reconnection under 807 KAR 5:006 Section 15 shall be exempt from the reconnect charges.

- | | |
|--|----------|
| 1. Reconnect for nonpayment during regular hours..... | \$ 12.94 |
| at the end of the day (No "Call Out" required)..... | \$ 17.26 |
| Reconnect for nonpayment when a "Call Out" is required (A "Call Out" is when an employee must be called in to work on an overtime basis to make the reconnect trip)..... | \$ 35.95 |
| 2. Reconnect for nonpayment when double time is required (Sunday and Holiday)..... | \$ 44.58 |
| 3. Termination or field trip..... | \$ 8.63 |

The reconnection charge for all Customers where service has been disconnected for fraudulent use of electricity will be the actual cost of the reconnection.

(Cont'd on Sheet No. 2-10)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TERMS AND CONDITIONS OF SERVICE (Cont'd)

19 SPECIAL CHARGES (Cont'd).B Returned Check Charge

In cases where a customer pays by check, which is later returned as unpaid by the bank for any reason, the Customer will be charged a fee of \$7.00 to cover the handling costs.

C Meter Test Charge

Where test of a meter is made upon written request of the Customer pursuant to 807 KAR 5:006, Section 18, the Customer will be charged \$14.38 if such test shows that the meter was not more than two percent (2%) fast.

D Work Performed on Company's Facilities at Customer's Request

Whenever, at the request and for the benefit of the Customer, work is performed on the Company's facilities, including the relocation, or replacement of the Company's facilities, the Customer shall pay to the Company in advance of the Company undertaking the work the estimated total cost of such work. This cost shall be itemized by major categories and shall include the Company's overheads and shall be credited with the net value of any salvageable material. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the Customer.

Reasonable notice of not less than three working days shall be given to the Company for all requested work except for the covering of the Company's lines. Notice of any request for the Company to cover its lines shall be given at least two days in advance. The Company will endeavor to comply with all timely requests, but work may be delayed because of demands on the Company's personnel and equipment.

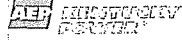
If the cost, as calculated above, is \$500 or less for covering the Company's distribution facilities no charge will be imposed. All costs in excess of \$500 for covering the Company's distribution facilities, shall be paid by the Customer, in advance of the Company undertaking the work. The actual cost for the work performed shall be calculated at the completion of the work and the appropriate charge or refund will be made to the customer.

(Cont'd on Sheet No. 2-11)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Residential and Small Commercial Bill Form – Page 1



A unit of American Electric Power

Total Amount Due \$ XX XX
Due Nov 17, Add X XX after Dec 02

Amount Enclosed

Send Inquiries To:
 PO BOX 24401
 CANTON, OH 44701-4401
 R-K-748888884

Make Check Payable and Send To:
 KENTUCKY POWER COMPANY
 P O. BOX 24417
 CANTON OHIO 44701-4417

KPCO Consumer
 123 ANY ADDRESS
 AEP CITY, KY 99999-9999

0000064900000064900000000000039999999922021403018103805

Please tear on dotted line Account Number 039-999-999-1-2 Return top portion with your payment

SERVICE AT:

KPCO Consumer
 123 ANY ADDRESS
 AEP CITY, KY 99999-9999

Questions About Bill
 or Service, Call;
 1-800-572-1113
 Pay by Phone
 1-877-305-9280

Account Number
 039-999-999-9-9

Bill Date 10/30/09
Page 1 of 2 010

PREVIOUS CHARGES

Total Amount Due at Last Billing
 Payment 10/12/09 - Thank You
 Previous Balance

Account Balance
 \$ XX XX
 — XX XX CR
 \$ XX XX

Amount Due
 \$ XX XX

CURRENT KPCO CHARGES (1-800-572-1113):
 10/30/09 Tariff 015 - RESIDENTIAL SERVICE

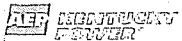
| | | | |
|-------------------------------------|----|-------|-------------|
| Rate Billing | \$ | XX XX | |
| Fuel Adj @ 0.0XXXXXX Per KWH | | X XX | |
| DSM Adj @ 0.0XXXXXX Per KWH | | XX | |
| Residential HEAP @ \$0.15 | | XX | |
| Capacity Charge @ 0.0XXXXXX Per KWH | | XX | |
| Environmental Adj X XXXXXX% | | XX | |
| School Tax | | XX | |
| State Sales Tax | | XX | |
| Green Pricing Option 2 Blocks | | X XX | |
| | \$ | XX XX | |
| Current Electric Due | | | \$ XX XX |

Total Amount Due \$ XX XX
Due Nov 17, Add X XX after Dec 02

USAGE: \$x.xx is your average daily cost for current electric service

| Meter Number | Service Period | | | Meter F Pres | CD | Multiplier | Metered Usage |
|----------------|----------------|------------|-------|--------------|-------|------------|---------------|
| 99999999 | From | To | Prev | CD | 29748 | R | |
| CD - Read Code | 10/1/2009 | 10/30/2009 | 29466 | R | | Next F | 1 0000 282 |

29 Billing Days



A unit of American Electric Power

Rates Available
on Request

See other side for

(Cont'd on Sheet No. 2-12)

(I)

(T)


DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Residential and Small Commercial Bill Form – Page 2

| | | | | | | |
|--|--------------|--|--|---------------|---|-------------|
| Send Inquiries To: PO BOX 24401 CANTON, OH 44701-4401 R-K-74866584 | | Account Number 039-999-999-9-9 | | | | |
| | | Page 2 of 2 | | | | |
| USAGE: | | | | | | |
| Month Usage | Month Usage | Month Usage | Month Usage | Month Usage | Month Usage | Month Usage |
| Nov 08 711 | Jan 09 1,448 | Mar 09 1,046 | May 09 846 | July 09 1,174 | Sept 09 788 | |
| Dec 08 955 | Feb 09 1,478 | Apr 09 954 | Jun 09 1,155 | Aug 09 718 | Oct 09 827 | |
| Average Monthly Usage: 493 KWH | | | Total Usage (Past 12 Months): 5921 KWH | | | |
| KPCO MESSAGES: | | | | | | |
| You may view detail rate information online at http://www.aepcustomer.com/tariffs/default.htm | | | | | | |
| Visit us at www.KentuckyPower.com | | | | | | |
|  A unit of American Electric Power. | | | | | | |
| | | | Rates Available on Request | | See other side for important information | |

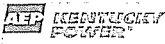

(Cont'd on Sheet No. 2-13)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, . KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Large Commercial and Industrial Bill Form - Page 1

|  KENTUCKY POWER A unit of American Electric Power Send Inquiries To: PO BOX 24401 CANTON, OH 44701-4401 R-K-TARRARRA | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Total Amount Due</td> <td style="text-align: right; padding: 2px;">\$ XXXX XX</td> </tr> <tr> <td style="padding: 2px;">Due Dec 02, Add \$XXX.XX After This Date</td> <td style="padding: 2px;">Amount Enclosed</td> </tr> </table> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> KPCO LARGE POWER 123 ANY ADDRESS AEP CITY, KY 99999-9999 </div> <div style="width: 45%;"> Make Check Payable and Send To: KENTUCKY POWER COMPANY P O BOX 24417 CANTON OHIO 44701-4417 </div> </div> <div style="text-align: center; font-family: monospace; font-size: 0.8em;"> 000006490000006490000000000000399999999922021403018103805 </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em;"> Please tear on dotted line Account Number 039-999-999-1-2 Return top portion with your payment </div> | Total Amount Due | \$ XXXX XX | Due Dec 02, Add \$XXX.XX After This Date | Amount Enclosed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-----------------------------------|------------------------|--|----------------------------------|------------|---------------|------------------------------|------------|------------|------------------|-------|------------|--------------|------------|------|------------------------------|----------|------------|-------------------------------------|-------|---|-------------------------------|-------|----------|------------|----------|------------|-----------------|--------|---|-------------------------------|------|----------|----------------------|------------|------------|------------|-------|---|-------|---|----------|-------------|
| Total Amount Due | \$ XXXX XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Due Dec 02, Add \$XXX.XX After This Date | Amount Enclosed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SERVICE AT: KPCO LARGE POWER 123 ANY ADDRESS AEP CITY, KY 99999-9999 | Questions About Bill or Service, Call: 1-800-572-1199 Pay by Phone 1-877-306-9999 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="border-collapse: collapse;"> <tr> <td style="padding: 2px;">Account Number 039-999-999-9-9</td> </tr> </table> | | Account Number 039-999-999-9-9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Account Number 039-999-999-9-9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%;"> <tr> <td style="width: 50%;">PREVIOUS CHARGES</td> <td style="width: 25%; text-align: center;"><u>Account Balance</u></td> <td style="width: 25%; text-align: center;"><u>Amount Due</u></td> </tr> <tr> <td>Total Amount Due at Last Billing</td> <td style="text-align: right;">\$ XXXX.XX</td> <td></td> </tr> <tr> <td>Payment 10/30/09 - Thank You</td> <td style="text-align: right;">XXXX.XX CR</td> <td></td> </tr> <tr> <td>Previous Balance</td> <td style="text-align: right;">\$ XX</td> <td style="text-align: right;">\$ XXXX.XX</td> </tr> </table> CURRENT KPCO CHARGES (1-888-710-4237: 11/12/09 Tariff 244 - LARGE GENERAL SERVICE <table style="width: 100%; margin-top: 5px;"> <tr> <td style="width: 50%;">Rate Billing</td> <td style="width: 25%; text-align: right;">\$ XXXX.XX</td> <td style="width: 25%;"></td> </tr> <tr> <td>Fuel Adj @ 0.0XXXXXX Per KWH</td> <td style="text-align: right;">XXX.XX</td> <td></td> </tr> <tr> <td>Capacity Charge @ 0.0XXXXXX Per KWH</td> <td style="text-align: right;">XX.XX</td> <td></td> </tr> <tr> <td>Environmental Adj X XXXXXXXX%</td> <td style="text-align: right;">XX.XX</td> <td></td> </tr> <tr> <td>School Tax</td> <td style="text-align: right;">XXX.XX</td> <td></td> </tr> <tr> <td>State Sales Tax</td> <td style="text-align: right;">XXX.XX</td> <td></td> </tr> <tr> <td>Green Pricing Option 2 Blocks</td> <td style="text-align: right;">X.XX</td> <td></td> </tr> <tr> <td style="text-align: right;">Current Electric Due</td> <td style="text-align: right;">\$ XXXX.XX</td> <td style="text-align: right;">\$ XXXX.XX</td> </tr> </table> <div style="text-align: right; font-size: 0.7em;"> Due Dec 02, Add \$XXX.XX After This Date Average energy cost per KWH = \$x.xx </div> | | PREVIOUS CHARGES | <u>Account Balance</u> | <u>Amount Due</u> | Total Amount Due at Last Billing | \$ XXXX.XX | | Payment 10/30/09 - Thank You | XXXX.XX CR | | Previous Balance | \$ XX | \$ XXXX.XX | Rate Billing | \$ XXXX.XX | | Fuel Adj @ 0.0XXXXXX Per KWH | XXX.XX | | Capacity Charge @ 0.0XXXXXX Per KWH | XX.XX | | Environmental Adj X XXXXXXXX% | XX.XX | | School Tax | XXX.XX | | State Sales Tax | XXX.XX | | Green Pricing Option 2 Blocks | X.XX | | Current Electric Due | \$ XXXX.XX | \$ XXXX.XX | | | | | | | |
| PREVIOUS CHARGES | <u>Account Balance</u> | <u>Amount Due</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Amount Due at Last Billing | \$ XXXX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Payment 10/30/09 - Thank You | XXXX.XX CR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Previous Balance | \$ XX | \$ XXXX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rate Billing | \$ XXXX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel Adj @ 0.0XXXXXX Per KWH | XXX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capacity Charge @ 0.0XXXXXX Per KWH | XX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Environmental Adj X XXXXXXXX% | XX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| School Tax | XXX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State Sales Tax | XXX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Green Pricing Option 2 Blocks | X.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Electric Due | \$ XXXX.XX | \$ XXXX.XX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| USAGE: <table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.7em;"> <thead> <tr> <th rowspan="2">Meter Number</th> <th colspan="3">Service Period</th> <th colspan="3">Meter Reading</th> <th rowspan="2">Multiplier</th> <th rowspan="2">Metered Usage</th> </tr> <tr> <th>From</th> <th>To</th> <th>Prev</th> <th>CD</th> <th>Pres</th> <th>CD</th> </tr> </thead> <tbody> <tr> <td>99999999</td> <td>10/14/2009</td> <td>11/12/2009</td> <td>XXXXX</td> <td>A</td> <td>XXXXX</td> <td>A</td> <td>XXX XXXX</td> <td>XXXXX KWH</td> </tr> <tr> <td>99999999</td> <td>10/14/2009</td> <td>11/12/2009</td> <td>XXXXX</td> <td>A</td> <td>XXXXX</td> <td>A</td> <td>XXX XXXX</td> <td>XXX XX KW</td> </tr> <tr> <td>99999999</td> <td>10/14/2009</td> <td>11/12/2009</td> <td>XXXXX</td> <td>A</td> <td>XXXXX</td> <td>A</td> <td>XXX XXXX</td> <td>XXXXX KVARH</td> </tr> </tbody> </table> <div style="display: flex; justify-content: space-between; font-size: 0.7em;"> CD - Read Code: A= Actual Reading 32 Billing Days Next Reading Date 12/16/09 </div> | | | Meter Number | Service Period | | | Meter Reading | | | Multiplier | Metered Usage | From | To | Prev | CD | Pres | CD | 99999999 | 10/14/2009 | 11/12/2009 | XXXXX | A | XXXXX | A | XXX XXXX | XXXXX KWH | 99999999 | 10/14/2009 | 11/12/2009 | XXXXX | A | XXXXX | A | XXX XXXX | XXX XX KW | 99999999 | 10/14/2009 | 11/12/2009 | XXXXX | A | XXXXX | A | XXX XXXX | XXXXX KVARH |
| Meter Number | Service Period | | | Meter Reading | | | Multiplier | Metered Usage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | From | To | Prev | CD | Pres | CD | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 99999999 | 10/14/2009 | 11/12/2009 | XXXXX | A | XXXXX | A | XXX XXXX | XXXXX KWH | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 99999999 | 10/14/2009 | 11/12/2009 | XXXXX | A | XXXXX | A | XXX XXXX | XXX XX KW | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 99999999 | 10/14/2009 | 11/12/2009 | XXXXX | A | XXXXX | A | XXX XXXX | XXXXX KVARH | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  <div style="display: inline-block; margin-left: 100px;"> Rates Available on Request </div> <div style="display: inline-block; margin-left: 100px;"> See other side for <small>Electric Service Agreement</small> </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(T)

(Cont'd on Sheet No. 2-14)


DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY

NAME TITLE ADDRESS

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Large Commercial and Industrial Bill Form – Page 2

| | | | | | | | |
|--|---------------|---------------|---------------|-------------------------------|----------------|---|--|
| Send Inquiries To: PO BOX 24401 CANTON, OH 44701-4401 039-999-999-9-9 CYC 01 | | | | | | Account Number 039-999-999-9-9 | |
| | | | | | | Page 2 of 2 | |
| Month Usage | Month Usage | Month Usage | Month Usage | Month Usage | Month Usage | | |
| Nov 08 17,500 | Jan 09 30,100 | Mar 09 21,700 | May 09 22,400 | July 09 32,200 | Sept 09 43,400 | | |
| Dec 08 22,400 | Feb 09 23,800 | Apr 09 22,400 | Jun 09 25,900 | Aug 09 30,100 | Oct 09 41,300 | | |
| Average Monthly Usage: 2766 KWH | | | | | | Total Usage (Past 12 Months): 333200 KWH | |
| ADJUSTED USAGE | | | | | | | |
| | | Power Factor | | Comp Meter | | | |
| Metered Usage | Power Factor | Constant | Multiplier | Billing Usage | | | |
| | | | | XXXXX KWH | | | |
| | | | | XXX XX KW | | | |
| | | | | XXXXX KVARH | | | |
| Contract Capacity = | | XXX X | | High Prev Demand = | | On-Pk Off-Pk | |
| KPCo MESSAGES Visit us at www.KentuckyPower.com | | | | | | | |
|  | | | | Rates Available on Request | | See other side for important information | |

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

CAPACITY AND ENERGY CONTROL PROGRAM

The Company's Capacity and Energy Control Program consists of:

- I. Procedures During Abnormal System Frequency
- II. Capacity Deficiency Program
- III. Energy Emergency Control Program

A copy of the Company's Emergency Operating Plan was filed with the Kentucky Public Service Commission on May 1, 2008 in Administrative Case No. 353 in compliance with the Commission's Order dated January 20, 1995.

(T)

I. PROCEDURES DURING ABNORMAL SYSTEM FREQUENCY**A. INTRODUCTION**

Precautionary procedures are required to meet emergency conditions such as system separation and operation at subnormal frequency. In addition, the coordination of these emergency procedures with neighboring companies is essential. The AEP program, which is in accordance with ECAR Document 3, is noted below.

B. PROCEDURES AEP/PJM

1. From 59.8 – 60.2 Hz to the extent practicable utilize all operating and emergency reserves. The manner of utilization of these reserves will depend greatly on the behavior of the System during the emergency. For rapid frequency decline, only that capacity on-line and automatically responsive to frequency (spinning reserve), and such items as interconnection assistance and load reductions by automatic means are of assistance in arresting the decline in frequency.

If the frequency decline is gradual, the Generation/Production Optimization Group, particularly in the deficient area, should invoke non-automatic procedures involving operating and emergency reserves. These efforts should continue until the frequency decline is arrested or until automatic load-shedding devices operate at subnormal frequencies.

2. At 59.75 Hz
 - a. Suspend Automatic Generation Control (AGC)
 - b. Notify Interruptible Customers to drop load
3. At 59.5 Hz automatically shed 5% of System internal load, excluding interruptibles, by relay action. (25 cycle, .42 sec. delay)
4. At 59.4 Hz automatically shed an additional 5% of System internal load, excluding interruptibles, by relay action. (25 cycle, .42 sec. delay)
5. At 59.3 Hz automatically shed an additional 5% of System internal load, excluding interruptibles, by relay action. (25 cycle, .42 sec. delay)
6. At 59.1 Hz automatically shed an additional 5% of System internal load, excluding interruptibles, by relay action. (25 cycle, .42 sec. delay)
7. At 59.0 Hz automatically shed an additional 5% of System internal load, excluding interruptibles, by relay action. (25 cycle, .42 sec. delay)
8. At 58.9 Hz automatically shed an additional 5% of System internal load, excluding interruptibles, by relay action. (25 cycle, .42 sec. delay)
9. At 58.2 Hz automatically trip the D.C. Cook Nuclear Units 1 and 2.
10. At 58.0 Hz or at generator minimum turbine off-frequency value, isolate generating unit without time delay.

If at any time in the above procedure the decline in area frequency is arrested below 59.0 Hz, that part of the System in the low frequency area should shed an additional 10% of its initial load. If, after five minutes, this action has not returned the area frequency to 59.0 Hz or above, that part of the System shall shed an additional 10% of its remaining load and continue to repeat in five-minute intervals until 59.0 Hz is reached. These steps must be completed within the time constraints imposed upon the operation of generating units.

(Cont'd on Sheet No. 3-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. Wagner E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

Issued by authority of an Order at the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**II. CAPACITY DEFICIENCY PROGRAM****A. PURPOSE**

To provide a plan for full utilization of emergency capacity resources and for orderly reduction in the aggregate customer demand on the American Electric Power (AEP) East/PJM Eastern System in the event of a capacity deficiency.

B. CRITERIA

The goals of AEP are to safely and reliably operate the interconnected network in order to avoid widespread system outages as a consequence of a major disturbance. Precautionary procedures including maintaining Daily Operating Reserves, as specified in ECAR document 2, and PJM Manual M13, will assist in avoiding serious emergency conditions such as system separation and operation at abnormal frequency. However, adequate Daily Operating Reserves cannot always be maintained, so the use of additional emergency measures may be required. A Capacity Deficiency is a shortage of generation versus load and can be caused by generating unit outages and/or extreme internal load requirements.

C. AEP EAST/PJM PROCEDURES

(note: the following section contains excerpts from PJM Manual – M13)

OVERVIEW

PJM is responsible for determining and declaring that an Emergency is expected to exist, exists, or has ceased to exist in any part of the PJM RTO or in any other Control Area that is interconnected directly or indirectly with the PJM RTO. PJM directs the operations of the PJM Members as necessary to manage, allocate, or alleviate an emergency.

- *PJM RTO Reserve Deficiencies* — If PJM determines that PJM-scheduled resources available for an Operating Day in combination with Capacity Resources operating on a self-scheduled basis are not sufficient to maintain appropriate reserve levels for the PJM RTO, PJM performs the following actions:
- Recalls energy from Capacity Resources that otherwise deliver to loads outside the Control Area and dispatches that energy to serve load in the Control Area.
- Purchases capacity or energy from resources outside the Control Area. PJM uses its best efforts to purchase capacity or energy at the lowest prices available at the time such capacity or energy is needed. The price of any such capacity or energy is not considered in determining Locational Marginal Prices in the PJM Energy Market. The cost of capacity or energy is allocated among the Market Buyers as described in the PJM Manual for Operating Agreement Accounting (M-28)

The AEP System Control Center will be referred to as SCC and the AEP Production Optimization Group will be referred to as POG.

CAPACITY SHORTAGES

PJM is responsible for monitoring the operation of the PJM RTO, for declaring the existence of an Emergency, and for directing the operations of the PJM Member as necessary to manage, alleviate, or end an Emergency. PJM also is responsible for transferring energy on the PJM Members behalf to meet an Emergency. PJM is also responsible for agreements with other Control Areas interconnected with the PJM RTO for the mutual provision of service to meet an Emergency.

Exhibit 1 illustrates that there are three general levels of emergency actions for capacity shortages:

- alerts
- warnings
- actions

ALERTS

The intent of the alerts is to keep all affected system personnel aware of the forecast and/or actual status of the PJM RTO. All alerts and cancellation thereof are broadcast on the "ALL-CALL" system and posted to selected PJM web sites to assure that all members receive the same information.

Alerts are issued in advance of a scheduled load period to allow sufficient time for members to prepare for anticipated initial capacity shortages.

(Cont'd on Sheet No.3-3)

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CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**AEP East/PJM Procedures (cont'd)****Alerts(Cont'd)****Maximum Emergency Generation Alert**

The purpose of the Maximum Emergency Generation Alert is to provide an early alert that system conditions may require the use of the PJM emergency procedures. It is implemented when Maximum Emergency Generation is called into the operating capacity.

Primary Reserve Alert

The purpose of the Primary Reserve Alert is to alert members of the anticipated shortage of operating reserve capacity for a future critical period. It is implemented when estimated operating reserve capacity is less than the forecast primary reserve requirement.

Voltage Reduction Alert

The purpose of the Voltage Reduction Alert is to alert members that a voltage reduction may be required during a future critical period. It is implemented when the estimated operating reserve capacity is less than the forecast spinning reserve requirement.

Voluntary Customer Load Curtailment Alert

The purpose of the Voluntary Customer Load Curtailment Alert is to alert members of the probable future need to implement a voluntary customer load curtailment. It is implemented whenever the estimated operating reserve capacity indicates a probable future need for voluntary customer load curtailment.

Warnings

Warnings are issued during present operations to inform members of actual capacity shortages or contingencies that may jeopardize the reliable operation of the PJM RTO. The intent of warnings is to keep all affected system personnel aware of the forecast and/or actual status of the PJM RTO. All warnings and cancellations are broadcasted on the "ALL-CALL" system and posted to selected PJM web sites to assure that all members receive the same information.

Primary Reserve Warning

The purpose of the Primary Reserve Warning is to warn members that the available primary reserve is less than required and present operations are becoming critical. It is implemented when available primary reserve capacity is less than the primary reserve requirement, but greater than the spinning reserve requirement, after all available secondary reserve capacity (except restricted maximum emergency capacity) is brought to a primary reserve status and emergency operating capacity is scheduled from adjacent systems.

Voltage Reduction Warning & Reduction of Non-Critical Plant Load

The purpose of the Voltage Reduction Warning & Reduction of Non-Critical Plant Load is to warn members that the available spinning reserve is less than the Spinning Reserve Requirement and that present operations have deteriorated such that a voltage reduction may be required. It is implemented when the available spinning reserve capacity is less than the spinning reserve requirement, after all available secondary and primary reserve capacity (except restricted maximum emergency capacity) is brought to a spinning reserve status and emergency operating capacity is scheduled from adjacent systems.

Manual Load Dump Warning

The purpose of the Manual Load Dump Warning is to warn members of the increasingly critical condition of present operations that may require manually dumping load. It is issued when available primary reserve capacity is less than the largest operating generator or the loss of a transmission facility jeopardizes reliable operations after all other possible measures are taken to increase reserve. The amount of load and the location of areas(s) are specified.

Actions

The PJM RTO is normally loaded according to bid prices; however, during periods of reserve deficiencies, other measures must be taken to maintain system reliability. These measures involve:

- Loading generation that is restricted for reasons other than cost
- Recalling non-capacity backed off-system sales
- Purchasing emergency energy from participants / surrounding pools
- Load relief measures

(Cont'd on Sheet No. 3-4)

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CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**AEP East/PJM Procedures (Cont'd)****Actions (Cont'd)**

The procedures to be used under these circumstances are described in the general order in which they are applied. Due to system conditions and the time required to obtain results, PJM dispatcher may find it necessary to vary the order of application to achieve the best overall system reliability. Issuance and cancellation of emergency procedures are broadcast over the "ALL-CALL" and posted to selected PJM web sites. Only affected systems take action. PJM dispatcher broadcasts the current and projected PJM RTO status periodically using the "ALL-CALL" during the extent of the implementation of the emergency procedures.

Maximum Emergency Generation

The purpose of the Maximum Emergency Generation is to increase the PJM RTO generation above the maximum economic level. It is implemented whenever generation is needed that is greater than the highest incremental cost level.

Load Management Curtailments (ALM)**Steps 1 and 2 (PJM Control)**

The purpose of the Load Management Curtailments, Steps 1 and 2, is to provide additional load relief by using PJM controllable load management programs. Steps 1 and 2 are differentiated only by the expected time to implement. Load relief is required after initiating Maximum Emergency Generation.

Step 1: Short Time Frame to Implement (1 Hour or Less)

- PJM dispatcher requests members to implement Load Management Curtailment, Step 1.

Step 2: Long Time Frame To Implement (Greater Than 1 Hour)

- PJM dispatcher requests members to implement Load Management Curtailment, Step 2.

Steps 3 and 4 (SCC Control)

The purpose of the Local Control Center Programs of Load Management Curtailments, Steps 3 and 4, is to provide additional load relief by requesting use of Local Control Center load management programs.

Load Reduction Program

The purpose of the Load Reduction Action is to request end-use customers to reduce load during emergency conditions.

Voltage Reduction

The purpose of Voltage Reduction during capacity deficient conditions is to reduce load to provide a sufficient amount of reserve to maintain tie flow schedules and preserve limited energy sources. A curtailment of non-essential building load is implemented prior to or at this same time as a Voltage Reduction Action. It is implemented when load relief is still needed to maintain tie schedules.

Note: Voltage reductions can also be implemented to increase transmission system voltage.

Note: Curtailment of non-essential building load may be implemented prior to, but not later than, the same time as a voltage reduction.

Curtailment of Non-Essential Building Load

The purpose of the Curtailment of Non-Essential Building Load is to provide additional load relief, to be expedited prior to, but no later than the same time as a voltage reduction.

(Cont'd on Sheet No. 3-5)

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CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**AEP East/PJM Procedures (cont'd)****Actions****Voluntary Customer Load Curtailment**

The purpose of the Voluntary Customer Load Curtailment (VCLC) is to provide further load relief. It is implemented when the estimated peak load minus the relief expected from curtailment of non-essential building load and a 2.5% - 5% voltage reduction is greater than operating capacity.

PJM/SCC – Public Appeal to conserve electricity usage

Manual Load Dump

The purpose of the Manual Load Dump is to provide load relief when all other possible means of supplying internal PJM RTO load have been used to prevent a catastrophe within the PJM RTO or to maintain tie schedules so as not to jeopardize the reliability of the other interconnected regions. It is implemented when the PJM RTO cannot provide adequate capacity to meet the PJM RTO's load or critically overloaded transmission lines or equipment cannot be relieved in any other way and/or low frequency operation occurs in the PJM RTO, parts of the PJM RTO, or PJM RTO and adjacent Control Areas that may be separated as an island.

Addendum to Manual Load Dump Procedures

AEP understands that PJM intends to implement these curtailment protocols consistent with the agreements that PJM entered into in Kentucky and Virginia, in Stipulations approved by the Kentucky Public Service Commission and Virginia State Corporation Commission (with modifications) in Case No. 2002-00475 and Case No. PUE-2000-00550, respectively.

Capacity Deficiency Summary

A summary of the emergency alerts, warning and actions, together with the typical sequence and the method of communication, are presented in the following Table III-2 on Tariff Sheet No. 3-6.

(Cont'd on Sheet No. 3-6)

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| CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd) | | | | |
|--|---|--|--|---|
| | | Communications | Description | |
| Alert | Maximum Emergency Generation | PJM-POG via All-Call PJM-SCC via All-Call SCC-TDC | SCC/POG review scheduled or actual maintenance affecting capacity or critical transmission to determine if it can be deferred or cancelled | EEA 1 |
| | Primary Reserve | PJM-POG via All-Call PJM-SCC via All-Call SCC-TDC | (Same as above) | |
| | Voltage Reduction | PJM-SCC via All-Call SCC-TDC | SCC/TDC to identify stations for Voltage Reduction | |
| | Voluntary Customer Load Curtailment | PJM-POG via All-Call PJM-SCC via All-Call | Not Applicable | |
| Warning | Primary Reserve | PJM-POG via All-Call PJM-SCC via All-Call SCC-TDC | SCC/POG ensure that all deferrable maintenance or testing affecting capacity or critical transmission is halted. | |
| | Voltage Reduction & Reduction of Non-Critical Plant Load | PJM-POG via All-Call PJM-SCC via All-Call SCC-TDC | SCC to inform TDC to man Voltage Reduction Stations & prepare for Voltage Reduction | POG to reduce plant load. (See Table III-4) |
| | Manual Load Dump | PJM-SCC via All-Call SCC- POG-Environmental Services SCC-TDC-DDC | Lifting of Environmental Restrictions (See Table III-5) | Manual & Automatic Load Shedding |
| | | Make preparations for a Public Appeal if one becomes necessary. | a. Obtain permission to exceed opacity limits b. Obtain permission to exceed heat input limits c. Obtain permission to exceed river temperature limits | SCC/TDC will review local computer procedures and man manual load shedding stations |
| Action | Maximum Emergency Generation | PJM-POG via All-Call PJM-SCC via All-Call | Supplemental Oil & Gas Firing; Operate Generator Peakers; Emergency Hydro; Extra Load Capability | See Table III-3 |
| | Load Management Curtailment (ALM) | PJM-SCC via All-Call SCC - POG | Step 3 – 1267 Mws – 1 hr, 249 Mws – 2 hr | EEA 2 (DOE Report) |
| | Load Reduction Program | PJM-SCC via All-Call | Not Applicable | |
| | Voltage Reduction | PJM-SCC via All-Call SCC –TDC & SCC - POG | Initiate Voltage Reduction - AEP/PJM – 64 Mws | |
| | Curtailment of Non-Essential Building Load | PJM-POG via All-Call PJM-SCC via All-Call SCC- Building Services | Initiate curtailment of AEP building load – 4.4 Mws | Issued approx. same time as Voltage Reduction |
| | Voluntary Customer Load Curtailment | PJM-POG via All-Call PJM-SCC via All-Call | Not Applicable | EEA 3 (DOE Report) |
| | Public Appeal (may be issued at any stage of the Action items) | SCC – Corporate Communications | a. Radio and TV alert to general public | 2% of AEP Internal Load |
| | | SCC – Customer Services SCC - POG | b. Call to Industrial and Commercial Customers | 1276 Mws - 1 hr + 320 Mws - 2 hr |
| | | SCC - TDC | c. Municipal and REMC Customers | 7% of Cust. Load |
| | Manual Load Dump | PJM-SCC via All-Call SCC-POG-Environmental Services SCC-TDC-DDC | PJM Allocation based on deficient zones | |
| | | | a. Lift Environmental Restrictions on units | (regains curtailed generation) |
| | | | b. Selected distribution customers (manual load curtailment) | Execute MLD |

(Cont'd on Sheet No. 3-7)

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CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**Energy Emergency Alert Levels (reference NERC Appendix 5C)**1. Alert 1 - All available resources in use.

Circumstances:

- Control Area, Reserve Sharing Group, or Load Serving Entity foresees or is experiencing conditions where all available resources are committed to meet firm load, firm transactions, and reserve commitments, and is concerned about sustaining its required Operating Reserves, and
- Non-firm wholesale energy sales (other than those that are recallable to meet reserve requirements) have been curtailed.

2. Alert 2 - Load management procedures in effect.

Circumstances:

- Control Area, Reserve Sharing Group, or Load Serving Entity is no longer able to provide its customers' expected energy requirements, and is designated an Energy Deficient Entity.
- Energy Deficient Entity foresees or has implemented procedures up to, but excluding, interruption of firm load commitments. When time permits, these procedures may include, but are not limited to:
 - Voltage reduction
 - Emergency Curtailable Service
 - Public appeals to reduce demand
 - Interruption of non-firm end use loads in accordance with applicable contracts, for emergency, not economic reasons
 - Demand-side management
 - Utility load conservation measures
- During Alert 2, The Reliability Coordinators, Control Areas, and Energy Deficient Entities and AEP have the following responsibilities:

2.1 Notifying other Control Areas and Market Participants.

2.2 Declaration Period. The Energy Deficient Entity shall update the Reliability Coordinator of the situation at a minimum of every hour until the Alert 2 is terminated.

2.3 Share information on resource availability.

2.4 Evaluating and mitigating transmission limitations.

2.4.1 Notification of ATC adjustments.

2.4.2 Availability of generation redispatch options.

2.4.3 Evaluating impact of current Transmission Loading Relief events.

2.4.4 Initiating inquiries on reevaluating Operating Security Limits.

2.5 Coordination of emergency responses. The Reliability Coordinator shall communicate and coordinate the implementation of emergency operating responses.

2.6 Energy Deficient Entity actions. Before declaring an Alert 3, the Energy Deficient Entity must make use of available resources. This includes but is not limited to:

2.6.1 All available generation units are on line. All generation capable of being on line in the time frame of the emergency is on line including quick-start and peaking units, regardless of cost.

2.6.2 Purchases made regardless of cost. All firm and non-firm purchases have been made, regardless of cost.

(Cont'd on Sheet No. 3-8)

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CAPACITY AND ENERGY CONTROL PROGRAM (Cont'd)**Energy Emergency Alert Levels (reference NERC Appendix 5C) (Cont'd)**

- 2.6.3 Non-firm sales recalled and contractually interruptible loads and DSM curtailed. All non-firm sales have been recalled, contractually interruptible retail loads curtailed, and Demand-side Management activated within provisions of the agreements.
- 2.6.4 Operating Reserves. Operating reserves are being utilized such that the Energy Deficient Entity AEP is carrying reserves below the required minimum or has initiated emergency assistance through its operating reserve sharing program.
3. Alert 3 - Firm load interruption imminent or in progress.
- Circumstances:
- Control Area or Load Serving Entity foresees or has implemented firm load obligation interruption. The available energy to the Energy Deficient Entity, as determined from Alert 2, is only accessible with actions taken to increase transmission transfer capabilities.
- 3.1 Continue actions from Alert 2.
- 3.2 Declaration Period. The Energy Deficient Entity shall update the Reliability Coordinator of the situation at a minimum of every hour until the Alert 3 is terminated.
- 3.3 Use of Transmission short-time limits.
- 3.4 Reevaluating and revising Operating Security Limits.
- 3.4.1 AEP Energy Deficient Entity obligations. The deficient Control Area or Load Serving Entity must agree that, upon notification from its Reliability Coordinator of the situation, it will immediately take whatever actions are necessary to mitigate any undue risk to the Interconnection. These actions may include load shedding.
- 3.4.2 Mitigation of cascading failures. The Reliability Coordinator shall use his best efforts to ensure that revising Operating Security Limits would not result in any cascading failures within the Interconnection.
- 3.5 Returning to pre-emergency Operating Security Limits. Whenever energy is made available to an Energy Deficient Entity such that the transmission systems can be returned to their pre-emergency Operating Security Limits, the Control Area Coordinator Energy Deficient Entity shall notify its respective Reliability Coordinator and downgrade the Alert.
- 3.5.1 Notification of other parties. Notifications will be made via Oasis and the RCIS.
- 3.6 Reporting. Any time an Alert 3 is declared, the Control Area Coordinator Energy Deficient Entity shall complete the report listed in NERC Appendix 9B, Section C and submit this report to its respective Reliability Coordinator within two business days of downgrading or termination of the Alert. Upon receiving the report, the Reliability Coordinator shall review it for completeness and immediately forward it to the NERC staff for posting on the NERC web site. The Reliability Coordinator shall present this report to the appropriate NERC Sub-committee Reliability Coordinator Working Group at its next scheduled meeting.
4. Alert 0 - Termination. When the Energy Deficient Entity believes it will be able to supply its customers' energy requirements, it shall request of his Reliability Coordinator that the EEA be terminated.
- 4.1 Notification.

(Cont'd on Sheet No. 3-9)

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CAPACITY AND ENERGY CONTROL PROGRAMIII. ENERGY EMERGENCY CONTROL PROGRAMA. INTRODUCTION

The purpose of this plan is to provide for the reduction of the consumption of electric energy on the American Electric Power Company System in the event of a severe coal fuel shortage, such as might result from a general strike, or severe weather.

B. PROCEDURES

In the event of a potential severe coal shortage, such as one resulting from a general coal strike, the following steps will be implemented. These steps will be carried out to the extent permitted by contractual commitments or by order of the regulatory authorities having jurisdiction.

- A. To be initiated when system fuel supplies are decreased to 70% of normal target days' operation of coal-fired generation and a continued downward trend in coal stocks is anticipated:
1. Optimize the use of non-coal-fired generation to the extent possible.
 2. For individual plants significantly under 750% of normal minimum target days' supply, review the prudence of modifying economic dispatching procedures to conserve coal.
 3. If necessary discontinue all economy sales to neighboring utilities.
 4. Curtail the use of energy in company offices, plants, etc., over and above the reductions already achieved by current in-house conservation measures.
- B. To be initiated when system fuel supplies are decreased to 60% of normal target days' operation of coal-fired generation and a continued downward trend in coal stocks is anticipated:
1. Substitute the use of oil for coal, as permitted by plant design, oil storage facilities, and oil availability.
 2. Discontinue all economy and short-term sales to neighboring utilities.
 3. Limit emergency deliveries to neighboring utilities to situations where regular customers of such utilities would otherwise be dropped or where the receiving utility agrees to return like quantities of energy within 14 days.
 4. Curtail electric energy consumption by customers on Interruptible contracts to a maximum of 132 hours of use at contract demand per week.
 5. Purchase energy from neighboring systems to the extent practicable.
 6. Purchase energy from industrial customers with generation facilities to the extent practicable.
 7. Through the use of news media and direct consumer contact, appeal to all customers (retail as well as wholesale) to reduce their nonessential use of electric energy as much as possible, in any case by at least 25%.
 8. Reduce voltage around the clock to the extent feasible.
 9. The Company will advise customers of the nature of the mandatory program to be introduced in C below, through direct contact and mass media, and establish an effective means of answering specific customer inquiries concerning the impact of the mandatory program on electricity availability.

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CAPACITY AND ENERGY CONTROL PROGRAM(Cont'd)**III. ENERGY EMERGENCY CONTROL PROGRAM(Cont'd)****B. PROCEDURES (Cont'd)**

C. To be initiated -- in the order indicated below -- when system fuel supplies are decreased to 50% of normal target days' operation of coal-fired generation plants and a continued downward trend in coal stocks is anticipated:

1. Discontinue emergency deliveries to neighboring utilities unless the receiving utility agrees to return like quantities of energy within seven days.
2. Request all customers, retail as well as wholesale, to reduce their nonessential use of electric energy by 100%.
3. Request, through mass communication media, curtailment by all other customers a minimum of 15% of their electric use. These uses include lighting, air-conditioning, heating, manufacturing processes, cooking, refrigeration, clothes washing and drying and any other loads that can be curtailed.
4. All customers will be advised of the mandatory program specified below in D.

D. To be initiated when system fuel supplies are decreased to 40% of normal target days' operation of coal-fired generation and a continued downward trend in coal stocks is anticipated:

1. Implement procedures for curtailment of service to all customers to a minimum service level that is not greater than that required for protection of human life and safety, protection of physical plant facilities and employees' security. This step asks for curtailment of the maximum load possible without endangering life, safety and physical facilities.
2. All customers will be advised of the mandatory program specified below in E.

E. To be initiated when system fuel supplies are decreased to 30% of normal target days' operation of coal-fired generation and a continued downward trend in coal stocks is anticipated:

Implement procedures for interruption of selected distribution circuits on a rotational basis, while minimizing -- to the extent practicable -- interruption to facilities that are essential to the public health and safety. (See Section II, Step 14.)

F. The Energy Emergency Control Program will be terminated when:

1. The AEP System's remaining days of operation of coal-fired generation is at least 40% of normal target days' operation, and
2. Coal deliveries have been resumed, and
3. There is reasonable assurance that the AEP System's coal stocks are being restored to adequate levels.

With regard to mandatory curtailments identified in Items C, D, and E above, the Company proposes to monitor compliance after the fact. A customer exceeding his electric allotment would be warned to curtail his usage or face, upon continuing noncompliance and upon one day's actual written notice, disconnection of electric service for the duration of the energy emergency.

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STANDARD NOMINAL VOLTAGES

The voltage available to any individual customer shall depend upon the voltage of the Company's lines serving the area in which customer is provided service.

Electric service provided under the Company's rate schedules will be 60 hertz alternating current delivered from various load centers at nominal voltages and phases as available in a given location as follows:

SECONDARY DISTRIBUTION VOLTAGES.

Residential Service

Single phase 120/240 volts three wire or 120/208 volts three wire on network system.

General Service - All Except Residential

Single-phase 120/240 volts three wire or 120/208 volts three wire on network system. Three-phase 120/208 volts four wire on network system, 120/240 volts four wire, 240 volts three wire, 480 volts three wire and 277/480 volts four wire.

PRIMARY DISTRIBUTION VOLTAGES.

The Company's primary distribution voltage levels at load centers are 2,400; 4,160Y; 7,200; 12,470Y. 19,900 and 34,500Y.

(T)

SUBTRANSMISSION LINE VOLTAGES.

The Company's sub transmission voltage levels are 19,900; 34,500; 46,000; and 69,000.

TRANSMISSION LINE VOLTAGES.

The Company's transmission voltage levels are 138,000; 161,000; 345,000; and 765,000.

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**TARIFF F.A.C.
(Fuel Adjustment Clause)****APPLICABLE.**

To Tariffs R.S., Experimental R.S.T.O.D. 2, R.S.-L.M.-T.O.D. R.S.-T.O.D., S.G.S., Experimental S.G.S.T.O.D. M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S. T.O.D., Q.P., C.I.P.-T.O.D., C.S.-J.R.P., M.W., O.L., and S.L.

(T)

RATE.

1. The fuel clause shall provide for periodic adjustment per kwh of sales equal to the difference between the fuel costs per kwh of sales in the base period and in the current period according to the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all as defined below:

2. F(b)/S(b) shall be so determined that on the effective date of the Commission's approval of the utility's application of the formula, the resultant adjustment will be equal to zero (0).
3. Fuel costs (F) shall be the most recent actual monthly cost of:
 - a. Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of the fuel related substitute generation, plus
 - b. The actual identifiable fossil and nuclear fuel costs [if not known--the month used to calculate fuel (F), shall be deemed to be the same as the actual unit cost of the Company generation in the month said calculations are made. When actual costs become known, the difference, if any, between fuel costs (F) as calculated using such actual unit costs and the fuel costs (F) used in that month shall be accounted for in the current month's calculation of fuel costs (F)] associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
 - c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the Company to substitute for its own higher cost energy; and less
 - d. The cost of fossil fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
 - e. All fuel costs shall be based on weighted average inventory costing.
4. Forced outages are all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacturer, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel costs of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel costs (F) in subsection (3)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

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TARIFF F.A.C. (Cont'd)
(Fuel Adjustment Clause)

5. Sales (S) shall be all kwh's sold, excluding intersystem sales. Where, for any reason billed system sales cannot be coordinated with the fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) intersystem sales referred to in subsection (3)(d) above, less (vi) total system loss. Utility used energy shall not be excluded in the determination of sales (S).
6. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts or Public Utilities and Licensees.
7. At the time the fuel clause is initially filed, the utility shall submit copies of each fossil fuel purchase contract not otherwise on file with the Commission and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of fuel supply and purchased power. Incorporation by reference is permissible. Any changes in the documents, including price escalations, or any new agreements entered into after the initial submission, shall be submitted at the time they are entered into. Where fuel is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts shall be noted and the utility shall explain and justify them in writing. Fuel charges, which are unreasonable, shall be disallowed and may result in the suspension of the fuel adjustment clause. The Commission on its own motion may investigate any aspect of fuel purchasing activities covered by this regulation.
8. Any tariff filing which contains a fuel clause shall conform that clause with this regulation within three (3) months of the effective date of this regulation. The tariff filing shall contain a description of the fuel clause with detailed cost support.
9. The monthly fuel adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.
10. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS61.870 to 61.884.
11. At six (6) month intervals, the Commission will conduct public hearings on a utility's past fuel adjustments. The Commission will order a utility to charge off and amortize, by means of a temporary decrease of rates, any adjustment it finds unjustified due to improper calculation or application of the charges or improper fuel procurement practice.
12. Every two (2) years following the initial effective date of each utility fuel clause, the Commission in a public hearing will review and evaluate past operations of the clause, disallow improper expenses, and to the extent appropriate, reestablish the fuel clause charge in accordance with Subsection 2.
13. Resulting cost per kilowatt-hour in June 2008 to be used as the base cost in Standard Fuel Adjustment Clause is:

| | | |
|--------|-------------|------------------------------|
| Fuel - | June 2008 = | \$16,138,627 = \$0.02840/kwh |
| Sales | June 2008 | 568,162,000 |

This, as used in the Fuel Adjustment Clause, is \$2.840 cents per kilowatt-hour.

Pursuant to the Public Service Commission Order dated June 11, 2009 in Case No. 2008-00518, the fuel adjustment charge rate for the month of May 2009 and June 2009 usage to be billed in the month of July 2009 and August 2009, respectively shall be calculated using the base fuel cost of 2.124 ¢/kWh. Thereafter the fuel adjustment base cost shall be 2.840 ¢/kWh.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
 ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
 NAME TITLE ADDRESS

TARIFF R.S.
(Residential Service)**AVAILABILITY OF SERVICE.**

Available for full domestic electric service through 1 meter to individual residential customers including rural residential customers engaged principally in agricultural pursuits.

RATE. (Tariff Codes 015, 017, 022)

| | |
|----------------|-------------------|
| Service Charge | \$ 8.00 per month |
| Energy Charge: | 8.590¢ per KWH |

(I)

(I)

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased by an Experimental Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of the Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) CHARGE.

Applicable to all residential customers. Bills computed according to the rates set forth herein shall be increased by a HEAP charge of 15¢ per meter per month and shall be shown on the residential customers bill as a separate line item. The Home Energy Assistance Program charge will be applied to all residential electric bills rendered during the billing cycles commencing July 2010 and continue until otherwise directed by the Public Service Commission.

(I)

(T)

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

(Cont'd on Sheet No. 6-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Services rendered on and after June 29, 2010

ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF R.S. (Cont'd)
(Residential Service)**STORAGE WATER HEATING PROVISION.**

This provision is withdrawn except for the present installations of current customers receiving service hereunder at premises served prior to April 1, 1997.

If the customer installs a Company approved storage water heating system which consumes electrical energy only during off-peak hours as specified by the Company and stores hot water for use during on-peak hours, the following shall apply:

Tariff Code

- | | | |
|-----|---|-------|
| 012 | (a) For Minimum Capacity of 80 gallons, the last 300 KWH of use in any month shall be billed at 4.940¢ per KWH. | (I) |
| 013 | (b) For Minimum Capacity of 100 gallons, the last 400 KWH of use in any month shall be billed at 4.940¢ per KWH | (I) |
| 014 | (c) For Minimum Capacity of 120 gallons or greater, the last 500 KWH of use in any month shall be billed at 4.940¢ per KWH. | (I) |

These provisions, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

For purpose of this provision, the on-peak billing period is defined as 7:00A.M. to 9:00P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00PM to 7:00AM for all weekdays and all hours of Saturday and Sunday.

The Company reserves the right to inspect at all reasonable times the storage water heating system and devices which qualify the residence for service under the storage water heater provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this provision are being violated, it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

This provision is subject to the Service Charge, the Fuel Adjustment Clause, the System Sales Clause, the Demand-Side Management Clause, the Environmental Surcharge, the Capacity Charge and the Residential HEAP Charge factors as stated in the above monthly rate.

LOAD MANAGEMENT WATER-HEATING PROVISION. (Tariff Code 011)

For residential customers who install a Company-approved load management water-heating system which consumes electrical energy primarily during off-peak hours specified by the Company and stores hot water for use during on-peak hours, of minimum capacity of 80 gallons, the last 250 KWH of use in any month shall be billed at 4.940¢ per KWH.

This provision, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the "Monthly Rate" as set forth above.

For the purpose of this provision, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

The Company reserves the right to inspect at all reasonable times the load management water-heating system(s) and devices which qualify the residence for service under the Load Management Water-Heating Provision. If the Company finds that, in its sole judgment, the availability conditions of this provision are being violated, it may discontinue billing the Customer under this provision and commence billing under the standard monthly rate.

This provision is subject to the Service Charge, the Fuel Adjustment Clause, the System Sales Clause, the Demand-Side Management Clause, the Environmental Surcharge, the Capacity Charge and the Residential HEAP Charge factors as stated in the above monthly rate.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This service is available to rural domestic customers engaged principally in agricultural pursuits where service is taken through one meter for residential purposes as well as for the usual farm uses outside the home, but it is not extended to operations of a commercial nature or operations such as processing, preparing or distributing products not raised or produced on the farm, unless such operation is incidental to the usual residential and farm uses.

(Cont'd on Sheet No. 6-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. Wagner E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

TARIFF R.S.(Cont'd)
(Residential Service)**SPECIAL TERMS AND CONDITIONS. (Cont'd)**

This tariff is available for single-phase service only. Where 3-phase power service is required and/or where motors or heating equipment are used for commercial or industrial purposes, another applicable tariff will apply to such service.

The Company shall have the option of reading meters monthly or bimonthly and rendering bills accordingly. When bills are rendered bimonthly, the minimum charge and the quantity of KWH in each block of the rates shall be multiplied by two.

Pursuant to 807 KAR 5:041, Section 11, paragraph (1), of Public Service Commission Regulations, the Company will make an extension of 1,000 feet or less to its existing distribution line without charge for a prospective permanent residential customer served under this R.S. Tariff.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement.

(T)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF R.S. - L.M. - T.O.D.
(Residential Service Load Management Time-of-Day)**AVAILABILITY OF SERVICE.**

Available to customers eligible for Tariff R.S. (Residential Service) who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours.

Households eligible to be served under this tariff shall be metered through one single-phase multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods.

RATE. (Tariff Codes 028, 030, 032, 034)

Service Charge..... \$ 10.55 per month

(I)

Energy Charge:

All KWH used during on-peak billing period..... 13.227¢ per KWH

(I)

All KWH used during off-peak billing period..... 4.940¢ per KWH

(I)

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

CONSERVATION AND LOAD MANAGEMENT CREDIT.

For the combination of an approved electric thermal storage space heating system and water heater, both of which are designed to consume electrical energy only between the hours of 9:00 P.M. and 7:00 A.M. for all days of the week, each residence will be credited 0.745¢ per KWH for all energy used during the off-peak billing period, for a total of 60 monthly billing periods following the installation and use of these devices in such residence.

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

(Cont'd on Sheet No. 6-5)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF R.S.-L.M.-T.O.D. (Cont'd)
(Residential Service Load Management Time-of-Day)**CAPACITY CHARGE.**

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) CHARGE.

Applicable to all residential customers. Bills computed according to the rates set forth herein shall be increased by a HEAP charge of 15¢ per meter per month and shall be shown on the residential customers bill as a separate line item. The Home Energy Assistance Program charge will be applied to all residential electric bills rendered during the billing cycles commencing July 2010 and continue until otherwise directed by the Public Service Commission.

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(T)

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

SEPARATE METERING PROVISION.

Customers who use electric thermal storage space heating and water heaters which consume energy only during off-peak hours specified by the Company, or other automatically controlled load management devices such as space and/or water heating equipment that use energy only during off-peak hours specified by the Company, shall have the option of having these approved load management devices separately metered. The service charge for the separate meter shall be \$3.00 per month.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

The Company reserves the right to inspect at all reasonable times the energy storage and load management devices which qualify the residence for service and for conservation and load management credits under this tariff, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds, that in its sole judgment, the availability conditions of this tariff are being violated, it may discontinue billing the Customer under this tariff and commence billing under the appropriate Residential Service Tariff.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF R.S. - T.O.D.
(Residential Service Time-of-Day)**AVAILABILITY OF SERVICE.**

Available for residential electric service through one single-phase multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods to individual residential customers, including residential customers engaged principally in agricultural pursuits. Availability is limited to the first 1,000 customers applying for service under this tariff.

RATE. (Tariff Code 036)

Service Charge.....\$ 10.55 per month

Energy Charge:

All KWH used during on-peak billing period..... 13.227¢ per KWH

All KWH used during off-peak billing period..... 4.940 ¢ per KWH

(I)

(I)

(I)

For the purpose of this tariff, the on-peak billing period is defined as 7:00A.M. to 9:00P.M. for all weekdays, Monday through Friday. The off-peak period is defined as 9:00P.M. to 7:00A.M. for all weekdays and all hours of Saturday and Sunday.

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bill computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) CHARGE

Applicable to all residential customers. Bills computed according to the rates set forth herein shall be increased by a HEAP charge of 15¢ per meter per month and shall be shown on the residential customers' bill as a separate line item. The Home Energy Assistance Program charge will be applied to all residential electric bills rendered during the billing cycles commencing July 2010 and continue until otherwise directed by the Public Service Commission.

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(Cont'd on Sheet No. 6-7)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY  E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF R.S. - T.O.D. (Cont'd)
(Residential Service Time-of-Day)**DELAYED PAYMENT CHARGE.**

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

DATE OF ISSUE July 16, 2010DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF R.S. – T.O.D.2
(Experimental Residential Service Time-of-Day 2)**AVAILABILITY OF SERVICE.**

Available on a voluntary, experimental basis to individual residential customers for residential electric service through one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

RATE. (Tariff Code 027)

Service Charge \$ 11.45 per month
 Energy Charge:
 All KWH used during Summer on-peak billing period 11.406 ¢ per KWH
 All KWH used during Winter on-peak billing period 13.829 ¢ per KWH
 All KWH used during off-peak billing period 7.390 ¢ per KWH

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

| <u>Months</u> | <u>On-Peak</u> | <u>Off-Peak</u> |
|---|--|--|
| Approximate Percent (%) Of Annual Hours | 16% | 84% |
| <u>Winter Period:</u> November 1 to March 31 | 7:00 A.M. to 11:00 A.M. 6:00 P.M. to 10:00 P.M. | 11:00 A.M. to 6:00 P.M. 10:00 P.M. to 7:00 A.M. |
| <u>Summer Period:</u> May 15 to September 15 | Noon to 6:00 P.M. | 6:00 P.M. to Noon |
| <u>All Other Calendar Periods</u> | None | Midnight to Midnight |

NOTE: All KWH consumed during Saturday and Sunday are billed at the off-peak level.

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

(Cont'd on Sheet No. 6-9)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

(N)

(N)

TARIFF R.S.-T.O.D.2 (Cont'd)
(Experimental Residential Service Time-of-Day 2)

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

HOME ENERGY ASSISTANCE PROGRAM (HEAP) CHARGE.

Applicable to all residential customers. Bills computed according to the rates set forth herein shall be increased by a HEAP charge of 15¢ per meter per month and shall be shown on the residential customers bill as a separate line item. The Home Energy Assistance Program charge will be applied to all residential electric bills rendered during the billing cycles commencing July 2010 and continue until otherwise directed by the Public Service Commission.

DELAYED PAYMENT CHARGE.

Bills under this tariff are due and payable within fifteen (15) days of the mailing date. On all accounts not paid in full by the next billing date, an additional charge of 5% of the unpaid portion will be made.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase, residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. Wagner
E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF S.G.S.
(Small General Service)**AVAILABILITY OF SERVICE.**

Available for general service to customers with average monthly demands less than 10 KW and maximum monthly demands of less than 15 KW (excluding the demand served by the Load Management Time-of-Day provisions).

RATE. (Tariff Codes 211, 212)

| | |
|---------------------------------|--------------------|
| Service Charge..... | \$ 11.50 per month |
| Energy Charge: | |
| First 500 KWH per month..... | 13.160 ¢ per KWH |
| All Over 500 KWH per month..... | 7.116 ¢ per KWH |

(I)

(I)

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rate set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional Charge of 5% of the unpaid balance will be made.

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(Cont'd on Sheet No. 7-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF S.G.S. (Cont'd.)
(Small General Service)**LOAD MANAGEMENT TIME-OF-DAY PROVISION.**

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

RATE. (Tariff Code 225)

| | | |
|---|-------------------|-------|
| Service Charge..... | \$15.10 per month | |
| Energy Charge: | | |
| All KWH used during on-peak billing period..... | 15.326 ¢ per KWH | (I) |
| All KWH used during off-peak billing period | 4.940 ¢ per KWH | (I) |

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

TERM OF CONTRACT.

The Company shall have the right to require contracts for periods of one year or longer.

OPTIONAL UNMETERED SERVICE PROVISION.

Available to customers who qualify for Tariff SGS and use the Company's service for commercial purposes consisting of small fixed electric loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a contract location and shall be separately billed under the service contract. In the event one Customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable for each of the accounts.

The Customer shall furnish switching equipment satisfactory to the Company. The Customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the contract location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected or the earliest date allowed by Kentucky statute whichever is applicable.

Calculated energy use per month shall be equal to the contract capacity specified at the contract location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following rates:

RATE. (Tariff Codes 204 (Metered), 213 (Unmetered))

| | | |
|---------------------------------|-------------------|-------|
| Customer Charge..... | \$ 7.50 per month | |
| Energy Charge: | | |
| First 500 KWH per month..... | 13.160 ¢ per KWH | (I) |
| All Over 500 KWH per month..... | 7.116 ¢ per KWH | (I) |

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

Customer with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

(Cont'd on Sheet No. 7-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. R. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF S.G.S. – T.O.D.
(Experimental Small General Service Time-of-Day Service)**AVAILABILITY OF SERVICE.**

Available on a voluntary, experimental basis for general service to customers with 12-month average demands less than 10 kW through one single-phase, multi-register meter capable of measuring electrical energy consumption during variable pricing periods. Availability is limited to the first 500 customers applying for service under this tariff.

RATE. (Tariff Code 227)

| | |
|---|--------------------|
| Service Charge | \$ 14.95 per month |
| Energy Charge: | |
| All KWH used during Summer on-peak billing period | 13.538¢ per KWH |
| All KWH used during Winter on-peak billing period | 15.553¢ per KWH |
| All KWH used during off-peak billing period | 8.700¢ per KWH |

For the purpose of this tariff, the on-peak and off-peak billing periods shall be defined as follows:

| <u>Months</u> | <u>On-Peak</u> | <u>Off-Peak</u> |
|---|--|--|
| Approximate Percent (%) Of Annual Hours | 16% | 84% |
| <u>Winter Period:</u> November 1 to March 31 | 7:00 A.M. to 11:00 A.M. 6:00 P.M. to 10:00 P.M. | 11:00 A.M. to 6:00 P.M. 10:00 P.M. to 7:00 A.M. |
| <u>Summer Period:</u> May 15 to September 15 | Noon to 6:00 P.M. | 6:00 P.M. to Noon |
| <u>All Other Calendar Periods</u> | None | Midnight to Midnight |

NOTE: All KWH consumed during weekends are billed at the off-peak level.

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

(Cont'd on Sheet No. 7-4)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF S.G.S.-T.O.D. (Cont'd)
(Experimental Small General Service Time-of-Day)**ENVIRONMENTAL SURCHARGE.**

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

Existing customers may initially choose to take service under this tariff without satisfying any requirement to remain on their current tariff for at least 12 months.

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP 1 or by special agreement with the Company.

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DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E. K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESSIssued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF M.G.S.
(Medium General Service)**AVAILABILITY OF SERVICE.**

Available for general service to customers with average monthly demands greater than 10 KW or maximum monthly demands greater than 15 KW, but not more than 100 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

RATE.

| | <u>Service Voltage</u> | | |
|---|------------------------|----------------|------------------------|
| | <u>Secondary</u> | <u>Primary</u> | <u>Subtransmission</u> |
| Tariff Code | 215, 216, 218 | 217, 220 | 236 |
| Service Charge per Month | \$ 13 50 | \$ 25 00 | \$182 00 |
| Demand Charge per KW | \$ 1 64 | \$ 1 59 | \$ 1 55 |
| Energy Charge: | | | |
| KWH equal to 200 times KW of monthly billing demand | 9 862¢ | 9 054¢ | 8 361¢ |
| KWH in excess of 200 times KW of monthly billing demand | 8 460¢ | 8 098¢ | 7 851¢ |

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MINIMUM CHARGE.

This tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by 6 KW.

The minimum monthly charge for industrial and coal mining customers contracting for 3-phase service after October 1, 1959 shall be \$6 84 per KW of monthly billing demand.

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RECREATIONAL LIGHTING SERVICE PROVISION.

Available for service to customers with demands of 5 KW or greater and who own and maintain outdoor lighting facilities and associated equipment utilized at baseball diamonds, football stadiums, parks and other similar recreational areas. This service is available only during the hours between sunset and sunrise. Daytime use of energy under this rate is strictly forbidden except for the sole purpose of testing and maintaining the lighting system. All Terms and Conditions of Service applicable to Tariff M.G.S. customers will also apply to recreational lighting customers except for the Availability of Service.

RATE. (Tariff Code 214)

Service Charge \$13 50 per month
Energy Charge 9 004¢ per KWH

(I)

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

(Cont'd on Sheet No. 8-2)

DATE OF ISSUE July 16, 2010 DATE OF EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF M.G.S. (Cont'd.)
(Medium General Service)**ENVIRONMENTAL SURCHARGE.**

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rate set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(T)

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurements of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

Energy supplied hereunder will be delivered through not more than one single phase and/or polyphase meter. Customer's demand will be taken monthly to be the highest registration of a 15-minute integrating demand meter or indicator, or the highest registration of a thermal type demand meter. The minimum monthly billing demand shall not be less than (a) the minimum billing demand of 6 KW, or (b) 60% of the greater of (1) the customer's contract capacity in excess of 100 KW or (2) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 KW.

LOAD MANAGEMENT TIME-OF-DAY PROVISION. (Tariff Codes 223)

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

(Cont'd on Sheet No. 8-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

TARIFF M.G.S (Cont'd)
(Medium General Service)**RATE.**

| | | |
|---|-------------------|-------|
| Service Charge | \$ 3.00 per month | |
| Energy Charge: | | |
| All KWH used during on-peak billing period | 14.801¢ per KWH | (I) |
| All KWH used during off-peak billing period | 5.130 ¢ per KWH | (I) |

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

TERM OF CONTRACT.

Contracts under this tariff will be required of customers with normal maximum demands of 500 KW or greater. Contracts under this tariff will be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for periods of longer than 1 (one) year and to require contracts for Customers with normal maximum demands of less than 500 KW.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other source of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum demand in KW which the Company might be required to furnish, but no less than 10 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point of both their power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

(Cont'd on Sheet No. 8-4)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.R. Wagner FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF M.G.S.-T.O.D.
(Medium General Service Time-of-Day)**AVAILABILITY OF SERVICE.**

Available for general service to customers with normal maximum demands greater than 10 KW but not more than 100 KW. Availability is limited to the first 500 customers applying for service under this tariff.

RATE. (Tariff Code 229)

Service Charge \$ 14.30 per month

Energy Charge:

All KWH used during on-peak billing period 14.801¢ per KWH

(I)

All KWH used during off-peak billing period 5.130 ¢ per KWH

(I)

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the Service Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

(Cont'd on Sheet No. 8-5)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. R. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF M.G.S.-T.O.D. (Cont'd)
(Medium General Service Time-of-Day)**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(T)

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service

Customers with PURPA Section 210 qualifying cogeneration and/or small power productions facilities shall take service under Tariff COGEN/SPP I or by special agreement with the Company.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service commission I Case No. 2009-00459 dated June 28, 2010

**TARIFF L.G.S.
(Large General Service)****AVAILABILITY OF SERVICE.**

Available for general service to customers with normal maximum demands greater than 100 KW but not more than 1,000 KW (excluding the demand served by the Load Management Time-of-Day provision).

Existing customers not meeting the above criteria will be permitted to continue service under present conditions only for continuous service at the premises occupied on or prior to December 5, 1984.

RATE.

| | <u>Service Voltage</u> | | | |
|--------------------------------|------------------------|----------------|------------------------|---------------------|
| | <u>Secondary</u> | <u>Primary</u> | <u>Subtransmission</u> | <u>Transmission</u> |
| Tariff Code | 240, 242 | 244, 246 | 248 | 250 |
| Service Charge per Month | \$ 85.00 | \$127.50 | \$535.50 | \$535.50 |
| Demand Charge per KW | \$ 4.02 | \$ 3.89 | \$ 3.80 | \$ 3.76 |
| Excess Reactive Charge per KVA | \$ 3.46 | \$ 3.46 | \$ 3.46 | \$ 3.46 |
| Energy Charge per KWH | 7.795¢ | 6.514¢ | 4.942¢ | 4.644¢ |

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(I**MINIMUM CHARGE.**

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

(Cont'd. On Sheet No. 9-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
 ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
 NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF L.G.S. (Cont'd.)
(Large General Service)**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(T)

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

DETERMINATION OF EXCESS KILOVOLT-AMPERE (KVA) DEMAND.

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

LOAD MANAGEMENT TIME-OF-DAY PROVISION.

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provision of this tariff.

RATE. (Tariff Code 251)

| | | |
|---|---------|-----------|
| Service Charge | \$81.80 | per month |
| Energy Charge: | | |
| All KWH used during on-peak billing period | 12.971¢ | per KWH |
| All KWH used during off-peak billing period | 5.116¢ | per KWH |

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For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M. for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

(Cont'd on Sheet No. 9-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF L.G.S. (Cont'd)
(Large General Service)**TERM OF CONTRACT.**

Contracts under this tariff will be made for customers requiring a normal maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

CONTRACT CAPACITY.

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF L.G.S. – T.O.D.
(Large General Service – Time of Day)**AVAILABILITY OF SERVICE.**

Available for general service customers with normal maximum demands of 100 KW or greater. Customers may continue to qualify for service under this tariff until their 12-month average demand exceeds 1,000 KW. Availability is limited to the first 500 customers applying for service under this tariff.

RATE.

| | Service Voltage | | | |
|-----------------------------------|-----------------|-----------|-----------------|--------------|
| | Secondary | Primary | Subtransmission | Transmission |
| Tariff Code | 256 | 257 | 258 | 259 |
| Service Charge per Month | \$ 85.00 | \$ 127.50 | \$ 535.50 | \$ 535.50 |
| Demand Charge per KW | \$ 7.64 | \$ 4.58 | \$ 0.24 | \$ 0.15 |
| Excessive Reactive Charge per KVA | \$ 3.46 | \$ 3.46 | \$ 3.46 | \$ 3.46 |
| On-Peak Energy Charge per KWH | 9.778¢ | 7.959¢ | 7.729¢ | 7.655¢ |
| Off-Peak Energy Charge per KWH | 4.116¢ | 3.965¢ | 3.891¢ | 3.854¢ |

For the purpose of this tariff, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M., for all weekdays Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

MINIMUM CHARGE.

Bills computed under the above rate are subject to a monthly minimum charge comprised of the sum of the service charge and the minimum demand charge. The minimum demand charge is the product of the demand charge per KW and the monthly billing demand.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

(Cont'd on Sheet No. 9-5)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF L.G.S. – T.O.D. (Cont'd.)
(Large General Service – Time of Day)**DELAYED PAYMENT CHARGE.**

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional Charge of 5% of the unpaid balance will be made.

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

Billing demand in KW shall be taken each month as the highest 15-minute integrated peak in kilowatts as registered during the month by a 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months.

DETERMINATION OF EXCESS KILOVOLT-AMPERE (KVA) DEMAND.

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing month, leading or lagging, applied to the metered demand. The excess KVA demand, if any, shall be the amount by which the maximum KVA demand established during the billing period exceeds 115% of the kilowatts of metered demand.

TERM OF CONTRACT.

Contracts under this tariff will be made for customers requiring a normal maximum monthly demand between 500 KW and 1,000 KW and be made for an initial period of not less than 1 (one) year and shall remain in effect thereafter until either party shall give at least 6 months written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts or periods greater than 1 (one) year. For customers with demands less than 500 KW, a contract may, at the Company's option, be required.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than one year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

(Cont'd on Sheet No. 9-6)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF L.G.S. – T.O.D. (Cont'd)
(Large General Service – Time of Day)

CONTRACT CAPACITY.

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount up to 1,000 KW. Contracts will be made in multiples of 25 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 100 KW nor more than 1,000 KW. The Company shall not be obligated to supply demands in excess of the contract capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billings periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP I or II or by special agreement with the Company.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.R. Wagner E.R. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF Q.P.
(Quantity Power)**AVAILABILITY OF SERVICE.**

Available for commercial and industrial customers with demands less than 7,500 KW. Customers shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet normal maximum requirements, but in no case shall the contract capacity be less than 1,000 KW.

RATE.

| | <u>Secondary</u> | <u>Primary</u> | <u>Service Voltage Subtransmission</u> | <u>Transmission</u> |
|--|------------------|----------------|--|---------------------|
| Tariff Code | 356 | 358 | 359 | 360 |
| Service Charge per month | \$ 276.00 | \$ 276.00 | \$ 662.00 | \$ 1,353.00 |
| Demand Charge per KW | | | | |
| Of monthly on-peak billing demand | \$ 18.51 | \$ 15.00 | \$ 10.13 | \$ 9.00 |
| Of monthly off-peak excess billing demand | \$ 8.65 | \$ 5.56 | \$ 1.20 | \$ 1.10 |
| Energy Charge per KWH | 3.285¢ | 3.233¢ | 3.201¢ | 3.176¢ |

Reactive Demand Charge for each kilovar of maximum leading or lagging reactive demand in excess of 50 percent of the KW of monthly metered demand \$0.69/KVAR

(I)

(I)

(I)

MINIMUM CHARGE.

This tariff is subject to a minimum charge equal to the Service Charge plus the Demand Charge per kW multiplied by the billing demand.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by a Surcharge Adjustment based on a percent of revenue in compliance with the Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

(Cont'd on Sheet No. 10-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF Q.P. (Cont'd.)
(Quantity Power)**CAPACITY CHARGE.**

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KVA values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98

MONTHLY BILLING DEMAND.

The on-peak billing demand in KW shall be taken each month as the single highest 15-minute integrated peak in KW as registered during the month by a demand meter or indicator, or, at the Company's option, as the highest registration of a thermal type demand meter or indicator, but the monthly on-peak billing demand so established shall in no event be less than 60% of the greater of (a) the Customer's contract capacity set forth on the contract for electric service or (b) the customer's highest previously established monthly billing demand during the past 11 months.

Off-peak excess billing demand in any month shall be the amount of KW by which the off-peak billing demand exceeds the on-peak billing demand for the month.

The reactive demand in KVARs shall be taken each month as the highest single 15-minute integrated peak in KVARs as registered during the month by a demand meter or indicator, or, at the Company's option, as the highest registration of a thermal type demand meter or indicator.

For the purpose of this provision, the on-peak billing period is defined as 7:00 A.M. to 9:00 P.M., Monday through Friday. The off-peak billing period is defined as 9:00 P.M. to 7:00 A.M. for all weekdays and all hours of Saturday and Sunday.

TERM OF CONTRACT.

Contracts under this tariff will be made for an initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than two years.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

(Cont'd on Sheet No. 10-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. Wagner E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF Q.P. (Cont'd)
(Quantity Power)**CONTRACT CAPACITY**

The Customer shall set forth the amount of capacity contracted for ("the contract capacity") in an amount equal to or greater than 1,000 KW but less than 7,500 KW; in multiples of 100 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for resale service to mining and industrial Customer who furnish service to Customer-owned camps or villages where living quarters are rented to employees and where the Customer purchases power at a single point for both the power and camp requirements.

This tariff is also available to Customer having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the Customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 1,000 KW nor more than 7,500 KW. The Company shall not be obligated to supply demands in excess of that contracted capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Customer with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF C.I.P. - T.O.D.
(Commercial and Industrial Power - Time-of-Day)**AVAILABILITY OF SERVICE.**

Available for commercial and industrial customers with normal maximum demands of 7,500 KW and above. Customers shall contract for a definite amount of electrical capacity in kilowatts which shall be sufficient to meet normal maximum requirements, but in no case shall the capacity contracted for be less than 7,500 KW.

RATE.

| | <u>Primary</u> | <u>Subtransmission</u> | <u>Transmission</u> | |
|--------------------------|----------------|------------------------|---------------------|-------|
| Tariff Code | 370 | 371 | 372 | |
| Service Charge per Month | \$ 276.00 | \$ 794.00 | \$ 1,353.00 | (I) |
| Demand Charge per KW | | | | (I) |
| On-peak | \$ 16.77 | \$ 12.06 | \$ 10.98 | (I) |
| Off-peak | \$ 5.56 | \$ 1.20 | \$ 1.10 | (I) |
| Energy Charge per KWH | 2.962¢ | 2.906¢ | 2.880¢ | |

Reactive Demand Charge for each kilovar of maximum leading or lagging reactive demand in excess of 50 percent of the KW of monthly metered demand \$0.69/KVAR (I)

For the purpose of this tariff, the on-peak billing period is defined as 7:00 AM to 9:00 PM for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays and all hours of Saturday and Sunday.

MINIMUM DEMAND CHARGE.

The minimum demand charge shall be equal to the minimum billing demand times the following minimum demand rates:

| <u>Primary</u> | <u>Subtransmission</u> | <u>Transmission</u> | |
|----------------|------------------------|---------------------|-------|
| \$16.88 /KW | \$12.17/KW | \$11.09/KW | (I) |

The minimum billing demand shall be the greater of 60% of the contract capacity set forth on the contract for electric service or 60% of the highest billing demand, on-peak or off-peak, recorded during the previous eleven months. (T)

MINIMUM CHARGE.

This tariff is subject to a minimum charge equal to the Service Charge plus the Minimum Demand Charge.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the KWH is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

(Cont'd on Sheet No. 11-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. R. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF C.I.P. - T.O.D. (Cont'd.)
(Commercial and Industrial Power - Time-of-Day)

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(T)

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KVA values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

The monthly on-peak and off-peak billing demands in KW shall be taken each month as the highest single 15-minute integrated peak in KW as registered by a demand meter during the on-peak and off-peak billing periods, respectively.

The reactive demand in KVARs shall be taken each month as the highest single 15-minute integrated peak in KVAR's as registered during the month by the demand meter or indicator, or, at the Company's option, as the highest registration of a thermal type demand meter or indicator.

(Cont'd on Sheet No. 11-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. R. Wagner E. R. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF C.I.P. – T.O.D. (Cont'd)
(Commercial and Industrial Power – Time-of-Day)

TERM OF CONTRACT.

Contracts under this tariff will be made for an initial period of not less than two years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than two years.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

CONTRACT CAPACITY.

The Customer shall set forth the amount of capacity contracted for (the "contract capacity") in an amount equal to or greater than 7,500 KW, in multiples of 100 KW. The Company is not required to supply capacity in excess of such contract capacity except with express written consent of the Company.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to customers having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist the customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 7,500 KW. The Company shall not be obligated to supply demands in excess of the contract for capacity. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum charge shall be as set forth under paragraph "Minimum Charge" above.

A customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by customer. When the size of the customer's load necessitates the delivery of energy to the customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the customer's system irrespective of contrary provisions in Terms and Conditions of Service.

This tariff is available for resale service to mining and industrial customers who furnish service to customer-owned camps or villages where living quarters are rented to employees and where the customer purchases power at a single point for both his power and camp requirements.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF C.S.-I.R.P.
(Contract Service - Interruptible Power)**AVAILABILITY OF SERVICE.**

Available for service to customers who contract for service under one of the Company's interruptible service options. The Company reserves the right to limit the total contract capacity for all customers served under this Tariff to 60,000 kW. (T)

Loads of new customers locating within the Company's service area or load expansions by existing customers may be offered interruptible service as part of an economic development incentive. Such interruptible service shall not be counted toward the limitation on total interruptible power contract capacity, as specified above, and will not result in a change to the limitation on total interruptible power contract capacity.

CONDITIONS OF SERVICE.

The Company will offer eligible customers the option to receive service from a menu of interruptible power options pursuant to a contract agreed to by the Company and the Customer.

Upon receipt of a request from the Customer for interruptible service, the Company will provide the Customer with a written offer containing the rates and related terms and conditions of service under which such service will be provided by the Company. If the parties reach an agreement based upon the offer provided to the Customer by the Company, such written contract will be filed with the Commission. The contract shall provide full disclosure of all rates, terms and conditions of service under this Tariff, and any and all agreements related thereto, subject to the designation of the terms and conditions of the contract as confidential, as set forth herein.

The Customer shall provide reasonable evidence to the Company that the Customer's electric service can be interrupted in accordance with the provisions of the written agreement including, but not limited to, the specific steps to be taken and equipment to be curtailed upon a request for interruption.

The Customer shall contract for capacity sufficient to meet normal maximum interruptible power requirements, but in no event will the interruptible amount contracted for be less than 1,000 KW at any delivery point. (T)

RATE. (Tariff Code 321)

Charges for service under this Tariff will be set forth in the written agreement between the Company and the Customer and will reflect a difference from the firm service rates otherwise available to the Customer.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

(Cont'd on Sheet No. 12-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF C.S.-I.R.P.
(Contract Service - Interruptible Power) (Cont'd.)

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the Customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rate set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

TERM OF CONTRACT

The length of the agreement and the terms and conditions of service will be stated in the agreement between the Company and the Customer.

CONFIDENTIALITY

All terms and conditions of any written contract under this Tariff shall be protected from disclosure as confidential, proprietary trade secrets, if either the Customer or the Company requests a Commission determination of confidentiality pursuant to 807 KAR5:001, Section 7 and the request is granted.

(Cont'd on Sheet No. 12-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF C.S.-I.R.P.
(Contract Service - Interruptible Power) (Cont'd.)

SPECIAL TERMS AND CONDITIONS

Except as otherwise provided in the written agreement, this Tariff is subject to the Company's Terms and Conditions of Service.

A Customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by the Customer. When the size of the Customer's load necessitates the delivery of energy to the Customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the Customer's system irrespective of contrary provisions in Terms and Conditions of Service.

This tariff is also available to Customers having other sources of energy supply, but who desire to purchase standby or back-up electric service from the Company. Where such conditions exist, the Customer shall contract for the maximum amount of demand in KW, which the Company might be required to furnish, but not less than 1,000 KW.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

(T)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF M.W.
(Municipal Waterworks)**AVAILABILITY OF SERVICE.**

Available only to incorporated cities and towns and authorized water districts and to utility companies operating under the jurisdiction of Public Service Commission of Kentucky for the supply of electric energy to waterworks systems and sewage disposal systems served under this tariff on September 1, 1982, and only for continuous service at the premises occupied by the Customer on this date. If service hereunder is discontinued, it shall not again be available.

Customer shall contract with the Company for a reservation in capacity in kilovolt-amperes sufficient to meet with the maximum load, which the Company may be required to furnish.

RATE. (Tariff Code 540)

| | |
|------------------------------|-------------------|
| Service Charge | \$22.90 per month |
| Energy Charge: | |
| All KWH Used Per Month | 8.300¢ per KWH |

(I)

MINIMUM CHARGE.

This tariff is subject to a minimum monthly charge equal to the sum of the service charge plus \$4.10 per KVA as determined from customer's total connected load.

(I)

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule.

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by an Demand-Side Management Adjustment Clause Factor per KWH calculated in compliance with the Demand-Side Management Adjustment Clause contained in Sheet Nos. 22-1 and 22-2 of this Tariff Schedule, unless the customer is an industrial who has elected to opt-out in accordance with the terms pursuant to the Commission's Order in Case No. 95-427.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

(Cont'd on Sheet No. 13-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF M.W. (Cont'd)
(Municipal Waterworks)**PAYMENT.**

Bills will be rendered monthly and will be due and payable on or before the due date stated on the bill.

TERM OF CONTRACT.

Contracts under this tariff will be made for not less than (1) one year with self-renewal provisions for successive periods of (1) one year each until either party shall give at least 60 days' written notice to the other of the intention to discontinue at the end of any yearly period. The Company will have the right to require contracts for periods of longer than (1) one year.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is not available to customers having other sources of energy supply.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. Wagner E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF O.L.
(Outdoor Lighting)AVAILABILITY OF SERVICE.

Available for outdoor lighting to individual customers in locations where municipal street lighting is not applicable

RATE.

A. OVERHEAD LIGHTING SERVICE

Tariff
Code

| | | | |
|-------------------------|---------------------------------|-------------------|-------|
| 1. High Pressure Sodium | | | |
| 094 | 100 watts (9,500 Lumens)..... | \$ 8 75 per lamp | (I) |
| 113 | 150 watts (16,000 Lumens)..... | \$ 9 90 per lamp | (I) |
| 097 | 200 watts (22,000 Lumens)..... | \$ 12 20 per lamp | (I) |
| 103 | 250 watts (28,000 Lumens)..... | \$ 13 35 per lamp | (N) |
| 098 | 400 watts (50,000 Lumens)..... | \$ 19 15 per lamp | (I) |
| 2. Mercury Vapor | | | |
| 093* | 175 watts (7,000 Lumens)..... | \$ 9 75 per lamp | (I) |
| 095* | 400 watts (20,000 Lumens)..... | \$16 85 per lamp | (I) |

Company will provide lamp, photo-electric relay control equipment, luminaries and upsweep arm not over six feet in length, and will mount same on an existing pole carrying secondary circuits.

B. POST-TOP LIGHTING SERVICE

Tariff
Code

| | | | |
|-------------------------|---|------------------|-------|
| 1. High Pressure Sodium | | | |
| 111 | 100 watts (9,500 Lumens)..... | \$13 10 per lamp | (I) |
| 122 | 150 Watts (16,000 Lumens)..... | \$21 45 per lamp | (I) |
| 121 | 100 Watts Shoe Box (9,500 Lumens)..... | \$20 00 per lamp | (N) |
| 120 | 250 Watts Shoe Box (28,000 Lumens)) | \$24 00 per lamp | (N) |
| 126 | 400 Watts Shoe Box (50,000 Lumens)) | \$27 90 per lamp | (N) |
| 2. Mercury Vapor | | | |
| 099* | 175 watts (7,000 Lumens)..... | \$11 20 per lamp | (I) |

Company will provide lamp, photo-electric relay control equipment, luminaries, post, and installation including underground wiring for a distance of thirty feet from the Company's existing secondary circuits.

C. FLOOD LIGHTING SERVICE

Tariff
Code

| | | | |
|-------------------------|--|------------------|-------|
| 1. High Pressure Sodium | | | |
| 107 | 200 watts (22,000 Lumens)..... | \$13 60 per lamp | (I) |
| 109 | 400 watts (50,000 Lumens)..... | \$18 85 per lamp | (I) |
| 2. Metal Halide | | | |
| 110 | 250 watts (20,500 Lumens)..... | \$18 20 per lamp | (I) |
| 116 | 400 watts (36,000 Lumens)..... | \$24 10 per lamp | (I) |
| 131 | 1000 watts (110,000 Lumens) | \$52 20 per lamp | (I) |
| 130 | 250 watts Mongoose (19,000 Lumens) | \$21 80 per lamp | (N) |
| 136 | 400 watts Mongoose (40,000 Lumens) | \$25 50 per lamp | (N) |

Company will provide lamp, photoelectric relay control equipment, luminaries, mounting bracket, and mount same on an existing pole carrying secondary circuits.

*These lamps are not available for new installations

(Cont'd on Sheet No. 14-2)

DATE OF ISSUE July 16, 2010

DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY

E.K. Wagner

NAME

DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY

TITLE

ADDRESS

Issued by authority of an Order from the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF O.L. (Cont'd.)
(Outdoor Lighting)**RATE. (Cont'd.)**

When new or additional facilities, other than those specified in Paragraphs A, B, and C, are to be installed by the Company, the customer in addition to the monthly charges, shall pay in advance the installation cost (labor and material) of such additional facilities extending from the nearest or most suitable pole of the Company to the point designated by the customer for the installation of said lamp, except that customer may, for the following facilities only, elect, in lieu of such payment of the installation cost to pay:

| | |
|--|-------------------|
| Wood pole..... | \$ 2.85 per month |
| Overhead wire span not over 150 feet..... | \$ 1.60 per month |
| Underground wire lateral not over 50 feet..... | \$ 6.25 per month |
| (Price includes pole riser and connections) | |

(I)

(I)

(I)

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule. The monthly kilowatt-hours for Fuel Adjustment Clause, System Sales Clause and the Capacity Charge computations are as follows:

(T)

| | <u>METAL HALIDE</u> | | | <u>MERCURY VAPOR</u> | | <u>HIGH PRESSURE SODIUM</u> | | | | |
|-------|---------------------|--------------|--------------|----------------------|--------------|-----------------------------|--------------|--------------|--------------|--------------|
| | 250 | 400 | 1000 | 175 | 400 | 100 | 150 | 200 | 250 | 400 |
| | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> | <u>WATTS</u> |
| JAN | 127 | 199 | 477 | 91 | 199 | 51 | 74 | 106 | 130 | 210 |
| FEB | 106 | 167 | 400 | 76 | 167 | 43 | 62 | 89 | 109 | 176 |
| MAR | 106 | 167 | 400 | 76 | 167 | 43 | 62 | 89 | 109 | 176 |
| APR | 90 | 142 | 340 | 65 | 142 | 36 | 53 | 76 | 93 | 150 |
| MAY | 81 | 127 | 304 | 58 | 127 | 32 | 47 | 68 | 83 | 134 |
| JUNE | 72 | 114 | 272 | 52 | 114 | 29 | 42 | 61 | 74 | 120 |
| JULY | 77 | 121 | 291 | 55 | 121 | 31 | 45 | 65 | 79 | 128 |
| AUG | 88 | 138 | 331 | 63 | 138 | 35 | 51 | 74 | 90 | 146 |
| SEPT | 96 | 152 | 363 | 69 | 152 | 39 | 57 | 81 | 99 | 160 |
| OCT | 113 | 178 | 427 | 81 | 178 | 45 | 66 | 95 | 116 | 188 |
| NOV | 119 | 188 | 449 | 86 | 188 | 48 | 70 | 100 | 122 | 198 |
| DEC | <u>129</u> | <u>203</u> | <u>486</u> | <u>92</u> | <u>203</u> | <u>52</u> | <u>75</u> | <u>108</u> | <u>132</u> | <u>214</u> |
| TOTAL | 1204 | 1896 | 4540 | 864 | 1896 | 484 | 704 | 1012 | 1236 | 2000 |

(T)

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

(Cont'd on Sheet No. 14-3)

DATE OF ISSUE July 16, 2010DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. Wagner E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF O.L. (Cont'd.)
(Outdoor Lighting)**CAPACITY CHARGE.**

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

DELAYED PAYMENT CHARGE.

A delayed payment charge on residential customer accounts will be applied pursuant to the delayed payment charge on Tariff R.S. On all accounts other than residential not paid in full on or before the due date stated on the bill, an additional charge of 5% of the unpaid portion will be made.

HOURS OF LIGHTING.

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

OWNERSHIP OF FACILITIES.

All facilities necessary for service including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances shall be owned and maintained by the Company. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Company.

The Company shall be allowed 3 working days after notification by the customer to replace all burned-out lamps.

TERM OF INITIAL SERVICE.

Term of initial service shall be required for an initial period of one year.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

The Company shall have the option of rendering monthly or bimonthly bills.

(T)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

**TARIFF S.L.
(Street Lighting)****AVAILABILITY OF SERVICE.**

Available for lighting service for all the lighting of public streets, public highways and other public outdoor areas in municipalities, counties, and other governmental subdivisions where such service can be supplied from the existing general distribution systems.

RATE. (Tariff Code 528)**A. Overhead Service on Existing Distribution Poles**

| | | | | |
|--------------------------------|----|-------|----------|-------|
| 1. High Pressure Sodium | | | | |
| 100 watts (9,500 lumens)..... | \$ | 7.25 | per lamp | (I) |
| 150 watts (16,000 lumens)..... | \$ | 8.30 | per lamp | (I) |
| 200 watts (22,000 lumens)..... | \$ | 10.30 | per lamp | (I) |
| 400 watts (50,000 lumens)..... | \$ | 16.05 | per lamp | (I) |

B. Service on New Wood Distribution Poles

| | | | | |
|---------------------------------|----|-------|----------|-------|
| 1. High Pressure Sodium | | | | |
| 100 watts (9,500 lumens)..... | \$ | 10.25 | per lamp | (I) |
| 150 watts (16,000 lumens)..... | \$ | 11.40 | per lamp | (I) |
| 200 watts (22,000 lumens)..... | \$ | 13.15 | per lamp | (I) |
| 400 watts (50,000 lumens)..... | \$ | 18.45 | per lamp | (I) |

C. Service on New Metal or Concrete Poles*

| | | | | |
|--------------------------------|----|-------|----------|-------|
| 1. High Pressure Sodium | | | | |
| 100 watts (9,500 lumens)..... | \$ | 18.90 | per lamp | (I) |
| 150 watts (16,000 lumens)..... | \$ | 19.85 | per lamp | (I) |
| 200 watts (22,000 lumens)..... | \$ | 25.25 | per lamp | (I) |
| 400 watts (50,000 lumens)..... | \$ | 27.45 | per lamp | (I) |

*Effective June 29, 2010 and thereafter these lamps are not available for new installations

Lumen rating is based on manufacturer's rated lumen output for new lamps.

FUEL ADJUSTMENT CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a Fuel Adjustment Factor per KWH calculated in compliance with the Fuel Adjustment Clause contained in Sheet Nos. 5-1 and 5-2 of this Tariff Schedule. The monthly kilowatt-hours for Fuel Adjustment Clause, System Sales Clause and the Capacity Charge computations are as follows:

(T)

(Cont'd on Sheet No. 15-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF S.L. (Cont'd.)
(Street Lighting)**FUEL ADJUSTMENT CLAUSE. (Cont'd.)**

| <u>MONTH</u> | <u>HIGH PRESSURE SODIUM</u> | | | |
|--------------|-----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>100</u> <u>WATTS</u> | <u>150</u> <u>WATTS</u> | <u>200</u> <u>WATTS</u> | <u>400</u> <u>WATTS</u> |
| JAN | 51 | 74 | 106 | 210 |
| FEB | 43 | 62 | 89 | 176 |
| MAR | 43 | 62 | 89 | 176 |
| APR | 36 | 53 | 76 | 150 |
| MAY | 32 | 47 | 68 | 134 |
| JUNE | 29 | 42 | 61 | 120 |
| JULY | 31 | 45 | 65 | 128 |
| AUG | 35 | 51 | 74 | 146 |
| SEPT | 39 | 57 | 81 | 160 |
| OCT | 45 | 66 | 95 | 188 |
| NOV | 48 | 70 | 100 | 198 |
| DEC | <u>52</u> | <u>75</u> | <u>108</u> | <u>214</u> |
| TOTAL | 484 | 704 | 1012 | 2000 |

SYSTEM SALES CLAUSE.

Bills computed according to the rates set forth herein will be increased or decreased by a System Sales Factor per KWH calculated in compliance with the System Sales Clause contained in Sheet Nos. 19-1 and 19-2 of this Tariff Schedule.

ENVIRONMENTAL SURCHARGE.

Bills computed according to the rates set forth herein will be increased or decreased by an Environmental Surcharge Adjustment based on a percent of revenue in compliance with the Environmental Surcharge contained in Sheet Nos. 29-1 through 29-5 of this Tariff Schedule.

CAPACITY CHARGE.

Bills computed according to the rates set forth herein will be increased by a Capacity Charge Factor per KWH calculated in compliance with the Capacity Charge Tariff contained in Sheet No. 28-1 of this Tariff Schedule.

SPECIAL FACILITIES.

When a customer requests street lighting service which requires special poles or fixtures, underground street lighting, or a line extension of more than one span of approximately 150 feet, the customer will be required to pay, in advance, an aid-to-construction in the amount of the installed cost of such special facilities.

(Cont'd On Sheet No. 15-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on or after June 29, 2010ISSUED BY E. K. WAGNER E. K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF S.L. (Cont'd.)
(Street Lighting)

PAYMENT.

Bills are due and payable within ten (10) days of the mailing date.

HOURS OF LIGHTING.

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise every night and all night, burning approximately 4,000 hours per annum.

TERM OF CONTRACT.

Contracts under this tariff will ordinarily be made for an initial term of one year with self-renewal provisions for successive periods of one year each until either party shall give at least 60 days' notice to the other of the intention to discontinue at the end of the initial term or any yearly period. The Company may have the right to require contracts for periods of longer than one year if new or additional facilities are required.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY *E.K. Wagner*
E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF C. A. T. V.
(Cable Television Pole Attachment)**AVAILABILITY OF SERVICE.**

Available to operators of cable television systems (Operators) furnishing cable television service in the operating area of Kentucky Power Company (Company) for attachments of aerial cables, wires and associated appliances (attachments) to certain distribution poles of Kentucky Power Company.

RATE.

Charge for attachments on a two-user pole \$ 7.21 per pole/year
Charge for attachments on a three-user pole \$ 4.47 per pole/year

The above rate was calculated in accordance with the following formula:

$$\begin{array}{ccccccc} \text{Weighted Average} & & \text{Usage} & & \text{Carrying} & & \\ \text{Bare Pole Cost} & \times & \text{Factor} & \times & \text{Charge} & = & \text{Rate Per Pole} \end{array}$$

DELAYED PAYMENT CHARGE.

This Tariff is net if account is paid in full within 15 days of date of bill. On all accounts not so paid an additional charge of 5% of the unpaid balance will be made.

POLE SUBJECT TO ATTACHMENT.

When an Operator proposes to furnish cable television service within the Company's operating area and desires to make attachments on certain distribution poles of Company, Operator shall make written application, on a form furnished by Company, to install attachments specifying the location of each pole in question, the character of its proposed attachments and the amount and location of space desired, and any other information necessary to calculate the transverse and vertical load placed upon the pole as a result of the proposed attachment and any other facilities attached to the pole. Within twenty-one (21) days after receipt of the application, Company shall notify Operator whether and to what extent any special conditions will be required to permit the use by Operator of each such pole. Operator shall reimburse Company for any expenses incurred in reviewing such written applications for attachment. Operator shall have a non-exclusive right to use such poles of Company as may be used or reserved for use by Operator and any other poles of Company when brought hereunder in accordance with the procedure hereinafter provided. Company shall have the right to grant, by contract or otherwise to others rights or privileges to use any poles of the Company and Company shall have the right to continue and extend any such rights or privileges heretofore granted. All poles shall be and remain the property of Company regardless of any payment by Operator toward their cost and Operator shall, except for the rights provided hereunder, acquire no right, title or interest in or to any such pole.

STANDARDS FOR INSTALLATION.

All attachments and associated equipment of Operator (including without limitation, power supplies) shall be installed in a manner satisfactory to Company and so as not to interfere with the present or any future use which Company may desire to make of the poles covered by this Tariff. All such attachments and equipment shall be installed and at all times maintained by Operator so as to comply at least with the minimum requirements of the National Electrical Safety Code and any other applicable regulations or codes promulgated by state, local or other governmental authority having jurisdiction there over. Power supply apparatus having as its largest dimension more than sixteen inches must be placed on a separate pole to be installed by Operator. Operator shall take necessary precautions by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of Operator's attachments.

(Cont'd on Sheet No. 16-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF C.A.T.V. (Cont'd.)
(Cable Television Pole Attachment)**POLE INSTALLATION OR REPLACEMENT; REARRANGEMENTS; GUYING.**

In any case Operator proposes to install attachments on a pole to be erected by Company in a new location, and to provide adequate space or strength to accommodate such attachments (either at the request of Operator to comply with the aforesaid codes and regulations) such pole must, in Company's judgment, be taller and/or stronger than would be necessary to accommodate the facilities of Company and of other persons who have previously indicated that they desire to make attachments on such pole or with whom Company has an agreement providing for joint or share ownership of poles, the cost of such extra height and/or strength shall be paid to Company by Operator. Such cost shall be the difference between the cost in place of the new pole and the current cost in place of a pole considered by Company to be adequate for the facilities of Company and the attachments of such other persons.

Where in Company's judgment a new pole must be erected to replace an existing pole solely to adequately provide for Operator's proposed attachments, Operator agrees to pay Company for the entire cost of the new pole necessary to accommodate the existing facilities on the pole and Operator's proposed attachments, plus the cost of removal of the in-place pole, minus the salvage value, if any, of the removed pole. Title to the new pole shall remain with the Company. Operator shall also pay to Company and to any other owner of existing attachments on the pole the cost of removing each of their respective facilities or attachments from the existing pole and reestablishing the same or like facilities or attachments on the newly-installed pole.

If Operator's desired attachments can be accommodated on existing poles of Company by rearranging facilities of Company thereon or any other person, or if because of Operator's proposed attachments it is necessary for Company to rearrange its facilities on any pole not owned by it, then in any such case, Operator shall reimburse Company and any such other person for the respective expense incurred in making such rearrangement.

If because of the requirements of its business, Company proposed to replace an existing pole on which Operator has any attachment, or Company proposed to change the arrangements of its facilities on any such pole in such manner as to necessitate a rearrangement of Operator's attachment, or if as a result of any inspection of Operator's attachments Company determines that any such attachments are not in accordance with applicable codes or the provisions of this Tariff or are otherwise hazards Company shall give Operator not less than 48 hours notice of such proposed replacement or change, or any such violation or hazard, unless an emergency requires a shorter period. In such event, Operator shall at its expense relocate, rearrange or modify its attachments at the time specified by Company. If Operator fails to do so, or if any such emergency makes notice impractical, Company shall perform such relocation or rearrangement and Operator shall reimburse Company for the reasonable cost thereof.

Any additional guying or anchors required by reason of the attachments of Operator shall be provided at the expense of Operator and shall meet the requirements of all applicable codes or regulations and Company's generally applicable guying standards.

POLE INSPECTION.

Company reserves the right to inspect each new or proposed installation of Operator on Company's poles. In addition, Company may make periodic inspections, as conditions may warrant, for the purpose of determining compliance with the provisions of this Tariff. Company's right to make any inspections and any inspection made pursuant to such right shall not relieve Operator of any responsibility, obligation or liability assumed under this Tariff.

(Cont'd. On Sheet No. 16-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on or after June 29, 2010ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF C.A.T.V. (Cont'd.)
(Cable Television Pole Attachment)**UNAUTHORIZED ATTACHMENTS.**

Operator shall make no attachment to or other use of any pole of Company or any facilities of Company thereon, except as authorized. Should such unauthorized attachment or use be made, Operator shall pay to the Company on demand two times the charges and fees, including but not limited to, any payable under the headings "RATES" and "POLE INSTALLATION OR REPLACEMENT; REARRANGEMENTS; GUYING" that would have been payable had such attachment been made on the date following the date of the last previous inspection required to be made by Company under applicable regulations of the Kentucky Public Service Commission.

ABANDONMENT BY OPERATOR.

Operator may at any time abandon the use of a pole hereunder by removing therefrom all of its attachments and by giving written notice thereof, on a form provided by the Company, and no pole shall be considered abandoned until such notice is received.

INDEMNITY.

Operator hereby agrees to indemnify, hold harmless, and defend Company from and against any and all loss, damage, cost or expense which Company may suffer or for which Company may be held liable because of interruption of Operator's service to its subscribers or because of interference with television reception of said subscribers or others, or by reason of bodily injury, including death, to any person, or damage to or destruction of any property, including loss of use thereof, arising out of or in any manner connected with the attachment, operation, and maintenance of the facilities of Operator on the poles of Company under this Tariff, when due to any act, omission or negligence of Operator, or to any such act, omission or negligence of Operator's respective representatives, employees, agents or contractors.

INSURANCE.

Operator agrees to obtain and maintain at all times policies of insurance as follows:

- (a) Comprehensive bodily injury liability insurance in an amount not less than \$1,000,000 for any one occurrence
- (b) Comprehensive property damage liability insurance in an amount not less than \$500,000 for any one occurrence.
- (c) Contractual liability insurance in an amount not less than the foregoing minimums to cover the liability assumed by the Operator under the agreement or indemnity set forth above.

Prior to making attachments at Company's poles, Operator shall furnish to Company two copies of a certificate, from an insurance carrier licensed to do business in Kentucky, stating that policies of insurance have been issued by it to Operator providing for the insurance listed above and that such policies are in force. Such certificate shall state that the insurance carrier will give Company fifteen (15) days' prior written notice of any cancellation of or material change in such policies.

EASEMENTS.

Operator shall secure any right, license or permit from any governmental body, authority or other person or persons which may be required for the construction or maintenance of attachments of Operator. Company does not convey nor guarantee any easements, rights-of-way or franchises for the construction and maintenance of said attachments. Operator hereby agrees to indemnify and save harmless Company from any and all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Operator to secure such right, license, permit or easement for the construction or maintenance of said attachments on Company's poles.

(Cont'd on Sheet 16-4)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF C.A.T.V. (Cont'd.)
(Cable Television Pole Attachment)**CHARGES AND FEES.**

Operator agrees to pay Company in advance, semi-annually, charges to be computed as set forth in Tariff, and such other charges as may be provided for herein, for the use of each of Company's poles, any portion of which is occupied by, or reserved at Operator's request for the attachments of Operator.

Operator agrees to reimburse Company for all reasonable non-recurring expenses caused by or attributable to Operator's initial attachments including without limitation the amounts set forth herein before and the expenses of Company in examining poles used but not owned by Company to which Operator proposes to make attachments.

FEES FOR ADDITIONAL ATTACHMENTS OR REMOVALS.

For attachments made or removed which are reported to the Company between billing dates, Operator shall be billed or credited a prorated amount of the annual charge effective with the date of attachment or removal on the Operator's next bill.

ADVANCE BILLING

Payment of amounts due hereunder are due on the dates or at the times indicated with respect to each such payment. In the event the time for any payment is not specified, such payment shall be due fifteen (15) days from the date of the invoice therefore. In all amounts not so paid an addition charge of five percent (5%) will be assessed. Where the provisions of the Tariff require any payment by Operator to the Company other than for attachment charges, Company may, at its option, require that the estimated amount thereof be paid in advance of permission to use any pole or the performance by company of any work. In such a case, Company shall invoice any deficiency or refund any excess to Operator after the current amount of such payment has been determined.

DEFAULT OR NON-COMPLIANCE.

If Operator fails to comply with any of the provisions of this Tariff or defaults in the performance of any of its obligations under this Tariff and fails within thirty (30) days, after written notice from Company to correct such default or non-compliance, Company may, as its option forthwith take any one or more of the following actions: terminate the specific permit or permits covering the poles to which such default or non-compliance is applicable; remove, relocate or rearrange attachments of Operator to which such default or non-compliance relates, all at Operator's expense; decline to permit additional attachments hereunder until such default is cured; or in the event of any failure to pay any of the charges, fees or amounts provided in this Tariff or any other substantial default, or of repeated defaults terminate Operator's right of attachment. No liability shall be incurred by Company because of any or all such actions except for negligent destruction by the Company of CATV equipment in any relocation or removal of such equipment. The remedies provided herein are cumulative and in addition to any other remedies available to Company.

PRIOR AGREEMENTS.

This Tariff terminates and supersedes any previous agreement, license or joint use affecting Company's poles and Operator's attachments covered herein.

(Cont'd on Sheet No. 16-5)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF C. A. T. V. (Cont'd)
(Cable Television Pole Attachment)**ASSIGNMENT.**

This Tariff shall be binding upon and inure to the benefits of the parties hereto, their respective successors and/or assigns, but Operator shall not assign, transfer or sublet any of the rights hereby granted without the prior written consent of the Company, which shall not be unreasonably withheld, and any such purported assignment, transfer or subletting without such consent shall be void.

PERFORMANCE WAIVER.

Neither party shall be considered in default in the performance of its obligations herein, or any of them, to the extent that performance is delayed or prevented due to causes beyond the control of said party, including but not limited to, Acts of God or the public enemy, war, revolution, civil commotion, blockade or embargo, acts of government, any law, order, proclamation, regulation, ordinance, demand, or requirement of any government, fires, explosions, cyclones, floods, unavoidable casualties, quarantine, restrictions, strikes, labor disputes, lock-outs, and other causes beyond the reasonable control of either of the parties.

PRESERVATION OF REMEDIES.

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Company shall impair or affect its right thereafter to exercise the same.

HEADINGS.

Headings used in this Tariff are inserted only for the convenience of the parties and shall not affect the interpretation or construction of this Tariff.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on or after June 29, 2010

ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF COGEN/SPP I
(Cogeneration and/or Small Power Production--100 KW or Less)**AVAILABILITY OF SERVICE.**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a total design capacity of 100 KW or less. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1 - The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2 - The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3 - The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

MONTHLY CHARGES FOR DELIVERY FROM THE COMPANY TO THE CUSTOMER.

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers with cogeneration and/or small power production facilities having a total design capacity of more than 10 KW shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

ADDITIONAL CHARGES.

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

Monthly Metering Charge

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Where the customer does not sell electricity to the Company, a detent shall be used on the energy meter to prevent reverse rotation. The cost of such meter alteration shall be paid by the customer as part of the Local Facilities Charge.
- Options 2 & 3 - Where meters are used to measure the excess or total energy and average on-peak capacity purchased by the Company:

| | <u>Single Phase</u> | <u>Polyphase</u> |
|----------------------|---------------------|------------------|
| Standard Measurement | \$6.75 | \$7.75 |
| T.O.D. Measurement | \$7.15 | \$8.10 |

(Cont'd on Sheet No. 17-2)

(R)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF COGEN/SPP I (Cont'd.)
(Cogeneration and/or Small Power Production--100 KW or Less)**ADDITIONAL CHARGES. (Cont'd.)****Monthly Metering Charge. (Cont'd.)**

Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company's delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer's total load. When metering voltage for COGEN/SPP facilities is different from the Company's delivery voltage, metering requirements and charges shall be determined specifically for each use.

Local Facilities Charge

Additional charges to cover "interconnection costs" incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.**Energy Credit**

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

| | | |
|--------------------------------|-----------|-----|
| Standard Meter - All KWH | 2.90¢ KWH | (I |
| T.O.D. Meter | | |
| On-Peak KWH | 3.06¢ KWH | (R |
| Off-Peak KWH | 2.78¢ KWH | (I |

Capacity Credit

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

A. \$2.84 KW/month, times the lowest of:

- (1) monthly contract capacity, or
- (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
- (3) lowest average capacity metered during the previous two months if less than monthly contract capacity.

(Cont'd on Sheet No. 17-3)

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ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF COGEN/SPP I (Cont'd.)
(Cogeneration and/or Small Power Production--100 KW or Less)

MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES. (Cont'd.)

Capacity Credit (Cont'd.)

If T.O.D. energy meters are used,

B. \$6 82/KW/month, times the lowest of:

- (1) on-peak contract capacity, or
- (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 327, or
- (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

(I)

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

ON-PEAK AND OFF-PEAK PERIODS.

The on-peak period shall be defined as starting at 7:00A M. and ending at 9:00 P.M., local time, Monday through Friday.

The off-peak period shall be defined as starting at 9:00 P.M. and ending at 7:00A M. local time, Monday through Friday, and all hours of Saturday and Sunday.

CHARGES FOR CANCELLATION OR NON PERFORMANCE CONTRACT.

If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/SPP I or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

TERM OF CONTRACT.

Contracts under this tariff shall be made for a period not less than one year.

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ISSUED BY E. K. Wagner E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF COGEN/SPP II
(Cogeneration and/or Small Power Production--Over 100 KW)**AVAILABILITY OF SERVICE.**

This tariff is available to customers with cogeneration and/or small power production (COGEN/SPP) facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a total design capacity of over 100 KW. Such facilities shall be designed to operate properly in parallel with the Company's system without adversely affecting the operation of equipment and services of the Company and its customers, and without presenting safety hazards to the Company and customer personnel.

The customer has the following options under this tariff, which will affect the determination of energy and capacity and the monthly metering charges:

- Option 1 - The customer does not sell any energy or capacity to the Company, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 2 - The customer sells to the Company the energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities in excess of the customer's total load, and purchases from the Company its net load requirements, as determined by appropriate meters located at one delivery point.
- Option 3 - The customer sells to the Company the total energy and average on-peak capacity produced by the customer's qualifying COGEN/SPP facilities, while simultaneously purchasing from the Company its total load requirements, as determined by appropriate meters located at one delivery point.

MONTHLY CHARGES FOR DELIVERY FROM THE COMPANY TO THE CUSTOMER.

Such charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the tariff appropriate for the customer, except that Option 1 and Option 2 customers shall be served under demand-metered tariffs, and except that the monthly billing demand under such tariffs shall be the highest determined for the current and previous two billing periods. The above three-month billing demand provision shall not apply under Option 3.

ADDITIONAL CHARGES.

There shall be additional charges to cover the cost of special metering, safety equipment and other local facilities installed by the Company due to COGEN/SPP facilities, as follows:

Monthly Metering Charge

The additional monthly charge for special metering facilities shall be as follows:

- Option 1 - Where the customer does not sell electricity to the Company, a detent shall be used on the energy meter to prevent reverse rotation. The cost of such meter alteration shall be paid by the customer as part of the Local Facilities Charge.
- Options 2 & 3- Where meters are used to measure the excess or total energy and average on peak capacity purchased by the Company:
- | | <u>Single Phase</u> | <u>Polyphase</u> |
|----------------------|---------------------|------------------|
| Standard Measurement | \$6.75 | \$7.75 |
| T.O.D. Measurement | \$7.15 | \$8.10 |

(Cont'd on Sheet No. 18-2)

DATE OF ISSUE July 16, 2010

DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF COGEN/SPP II (Cont'd.)**(Cogeneration and/or Small Power Production--Over 100 KW)****ADDITIONAL CHARGES. (Cont'd.)****Monthly Metering Charge (Cont'd)**

Under Option 3, when metering voltage for COGEN/SPP facilities is the same as the Company's delivery voltage, the customer shall, at his option, either route the COGEN/SPP totalized output leads through the metering point, or make available at the metering point for the use of the Company and, as specified by the Company, metering current leads which will enable the Company to measure adequately the total electrical energy and average capacity produced by the qualifying COGEN/SPP facilities, as well as to measure the electrical energy consumption and capacity requirements of the customer's total load. When metering voltage for COGEN/SPP facilities is different from the Company's delivery voltage, metering requirements and charges shall be determined specifically for each case.

Local Facilities Charge

Additional charges to cover "interconnection costs" incurred by the Company shall be determined by the Company for each case and collected from the customer. For Options 2 and 3, the cost of metering facilities shall be covered by the Monthly Metering Charge and shall not be included in the Local Facilities Charge. The customer shall make a one-time payment for the Local Facilities Charge at the time of installation of the required additional facilities, or, at his option, up to 12 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit.

MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.**Energy Credit**

The following credits or payments from the Company to the customer shall apply for the electrical energy delivered to the Company:

| | | |
|--------------------------------|-----------|-------|
| Standard Meter - All KWH | 2.90¢/KWH | (I) |
| T.O.D. Meter | | |
| On-Peak KWH | 3.06¢/KWH | (R) |
| Off-Peak KWH | 2.78¢/KWH | (I) |

(Cont'd on Sheet No. 18-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.R. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF COGEN/SPP II (Cont'd.)
(Cogeneration and/or Small Power Production--Over 100 KW)**MONTHLY CREDITS OR PAYMENTS FOR ENERGY AND CAPACITY DELIVERIES.** (Cont'd.)**Capacity Credit**

If the customer contracts to deliver or produce a specified excess or total average capacity during the monthly billing period (monthly contract capacity), or a specified excess or total average capacity during the on-peak monthly billing period (on-peak contract capacity), then the following capacity credits or payment from the Company to the customer shall apply:

If standard energy meters are used,

A. \$2.84/KW/month, times the lowest of:

- (1) monthly contract capacity, or
- (2) current month metered average capacity, i.e., KWH delivered to the Company or produced by COGEN/SPP facilities divided by 730, or
- (3) lowest average capacity metered during the previous two months if less than monthly contract capacity.

(I)

If T.O.D. energy meters are used,

B. \$6.82/KW/month, times the lowest of:

- (1) on-peak contract capacity, or
- (2) current month on-peak metered average capacity, i.e., on-peak KWH delivered to the Company or produced by COGEN/SPP facilities divided by 327, or
- (3) lowest on-peak average capacity metered during the previous two months, if less than on-peak contract capacity.

(I)

The above energy and capacity credit rates are subject to revisions from time to time as approved by the Commission.

ON-PEAK AND OFF-PEAK PERIODS.

The on-peak period shall be defined as starting at 7:00 A.M. and ending at 9:00 P.M., local time, Monday through Friday.

The off-peak period shall be defined as starting at 9:00 P.M. and ending at 7:00 A.M., local time, Monday through Friday, and all hours of Saturday and Sunday.

CHARGES FOR CANCELLATION OR NON PERFORMANCE CONTRACT.

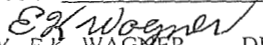
If the customer should, for a period in excess of six months, discontinue or substantially reduce for any reason the operation of cogeneration and/or small power production facilities which were the basis for the monthly contract capacity or the on-peak contract capacity, the customer shall be liable to the Company for an amount equal to the total difference between the actual payments for capacity paid to the customer and the payments for capacity that would have been paid to the customer pursuant to this Tariff COGEN/SPP II or any successor tariff. The Company shall be entitled to interest on such amount at the rate of the Company's most recent issue of long-term debt at the effective date of the contract.

TERM OF CONTRACT.

Contracts under this tariff shall be made for a period not less than one year.

DATE OF ISSUE July 16, 2010

DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY 
E.K. WAGNER
NAMEDIRECTOR OF REGULATORY SERVICES
TITLEFRANKFORT, KENTUCKY
ADDRESS

TARIFF S. S. C.
(System Sales Clause)**APPLICABLE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, S.G.S., Experimental S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P., C.I.P.-T.O.D., C.S.-I.R.P., M.W., O.L. and S.L.

(T)

RATE.

1. When the monthly net revenues from system sales are above or below the monthly base net revenues from system sales, as provided in paragraph 3 below, an additional credit or charge equal to the product of the KWHs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatt-hour, is defined as set forth below.

$$\text{System Sales Adjustment Factor (A)} = (.6 [T_m - T_b]) / S_m$$

In the above formulas "T" is Kentucky Power Company's (KPCo) monthly net revenues from system sales in the current (m) and base (b) periods, and "S" is the KWH sales in the current (m) period, all defined below.

2. The net revenue from American Electric Power (AEP) System sales to non-associated companies that are shared by AEP Member Companies, including KPCo, in proportion to their Member Load Ratio and as reported in the Federal Energy Regulatory Commission's Uniform System of Accounts under Account 447, Sales for Resale, shall consist of and be derived as follows:

(T)

- a. KPCo's Member Load Ratio share of total revenues from system sales as recorded in Account 447, less b. and c. below.
- b. KPCo's Member Load Ratio share of total out-of-pocket costs incurred in supplying the power and energy for the sales in a. above.

(T)

The out-of-pocket costs include all operating, maintenance, tax, transmission losses and other expenses that would not have been incurred if the power and energy had not been supplied for such sales, including demand and energy charges for power and energy supplied by Third Parties.

(T)

- c. KPCo's environmental costs allocated to non-associated utilities in the Company's Environmental Surcharge Report.

(Cont'd on Sheet No. 19-2)

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ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No.2009-00459 dated June 28, 2010

TARIFF S. S. C. (Cont'd.)
(System Sales Clause)

3. The base monthly net revenues from system sales are as follows:

| <u>Billing Month</u> | <u>System Sales (Total Company Basis)</u> |
|--------------------------|---|
| January | \$ 528,886 |
| February | 335,167 |
| March | 1,530,489 |
| April | 1,371,521 |
| May | 1,307,472 |
| June | 767,124 |
| July | 616,234 |
| August | 2,136,652 |
| September | 1,850,577 |
| October | 1,739,665 |
| November | 1,538,455 |
| December | <u>1,568,121</u> |
| | <u>\$15,290,363</u> |

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(I)
(I)
(I)
(R)

4. Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.
5. The system sales adjustment factor shall be based upon estimated monthly revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.
6. The monthly System Sales Clause shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.
7. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.

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**Tariff F.T.
(Franchise Tariff)****AVAILABILITY OF SERVICE.**

Where a city or town within Kentucky Power's service territory requires the Company to pay a percentage of revenues from certain customer classifications collected within such city or town of the right to erect the Company's poles, conductors, or other apparatus along, over, under, or across such city's or town's streets, alleys, or public grounds, the Company shall increase the rates and charges to such customer classifications within such city or town by a like percentage. The aforesaid charge shall be separately stated and identified on each affected customer's bill.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E.K. Wagner
E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESSIssued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

**TARIFF T. S.
(Temporary Service)****AVAILABILITY OF SERVICE.**

Available for temporary lighting and power service where capacity is available.

RATE.

Temporary service will be supplied under any published tariff applicable to the class of business of the Customer, when the Company has available unsold capacity of lines, transforming and generating equipment, with an additional charge of the total cost of connection and disconnection.

MINIMUM CHARGE.

The same minimum charge as provided for in any applicable tariff, shall be applicable to such temporary service and for not less than one full monthly minimum.

TERM.

Variable.

SPECIAL TERMS AND CONDITIONS.

A deposit equal to the full estimated amount of the bill and/or construction costs under this tariff may be required.

This tariff is not available to customers permanently located, whose energy requirements are of a seasonal nature.

See Terms and Conditions of Service.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

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NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF D.S.M.C.
(Demand-Side Management Adjustment Clause)**APPLICABLE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, S.G.S., Experimental S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P., C.I.P.-T.O.D., C.S.-I.R.P., and M.W.

(T)

RATE.

1. The Demand-Side Management (DSM) clause shall provide for periodic adjustment per KWH of sales equal to the DSM costs per KWH by customer sector according to the following formula:

$$\text{Adjustment Factor} = \frac{\text{DSM (c)}}{S(c)}$$

Where DSM is the cost by customer sector of demand-side management programs, net lost revenues, incentives, and any over/under recovery balances; (c) is customer sector; and S is the adjusted KWH sales by customer sector.

2. Demand-Side Management (DSM) costs shall be the most recent forecasted cost plus any over/under recovery balances recorded at the end of the previous period.
 - a. Program costs are any costs the Company incurred associated with demand-side management which were approved by the Kentucky Power Company DSM Collaborative. Examples of costs to be included are contract services, allowances, promotion, expenses, evaluation, lease expense, etc. by customer sector.
 - b. Net lost revenues are the calculated net lost revenues by customer sector resulting from the implementation of the DSM programs.
 - c. Incentives are a shared-savings incentive plan consisting of one of the following elements: The efficiency incentive, which is defined as 15 percent of the estimated net savings associated with the programs. Estimated net savings are calculated based on the California Standard Practice Manual's definition of the Total Resources Cost (TRC) test, or the maximizing incentive which is defined as 5 percent of actual program expenditures if program savings cannot be measured.
 - d. Over/ Under recovery balances are the total of the differences between the following:
 - (i) the actual program costs incurred versus the program costs recovered through DSM adjustment clause, and
 - (ii) the calculated net lost revenues realized versus the net lost revenues recovered through the DSM adjustment clause, and
 - (iii) the calculated incentive to be recovered versus the incentive recovered through the DSM adjustment clause.
3. Sales (S) shall be the total ultimate KWH sales by customer sector less non-metered, opt-out and lost revenue impact KWHs by customer sector.
4. The provisions of the Demand-Side Management Adjustment Clause will be effective for the period ending December 31, 2011.

(Cont'd on Sheet No. 22-2)

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ISSUED BY E.K. Wagner DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF D.S.M.C.
(DEMAND-SIDE MANAGEMENT ADJUSTMENT CLAUSE) (Cont'd.)

RATE. (Cont'd.)

5. The DSM adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.
6. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.
7. The resulting range for each customer sector per KWH during the three-year Experimental Demand-Side Management Plan is as follows:

CUSTOMER SECTOR

| | <u>RESIDENTIAL</u> | <u>COMMERCIAL**</u> | <u>INDUSTRIAL*</u> |
|------------------|--------------------|---------------------|--------------------|
| | (\$ Per KWH) | | |
| Floor Factor = | 0.000237 | -0- | - 0 - |
| Ceiling Factor = | 0.001184 | -0- | - 0 - |

8. The DSM Adjustment Clause factor (\$ Per KWH) for each customer sector which fall within the range defined in Item 7 above is as follows:

CUSTOMER SECTOR

| | <u>RESIDENTIAL</u> | <u>COMMERCIAL **</u> | <u>INDUSTRIAL *</u> |
|----------------------|--------------------|----------------------|---------------------|
| <u>DSM (c)</u> | 1,144,672 | -0- | - 0 - |
| S (c) | 1,611,068,700 | -0- | - 0 - |
| Adjustment Factor \$ | 0.000711 | -0- | - 0 - |

*The Industrial Sector has been discontinued pursuant to the Commission's Order dated September 28, 1999.

** The Commercial Sector has been discontinued pursuant to the Commission's Order dated November 21, 2005

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Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

KENTUCKY POWER COMPANY

Original Sheet No. 23-1
Canceling Sheet No. 23-1

P.S.C. ELECTRIC NO. 9

TARIFF XXX

(D)

SHEET NO. 23-1 IS RESERVED FOR FUTURE USE

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Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

RIDER E.C.S. - C. & E.
(Emergency Curtailable Service – Capacity & Energy Rider)

AVAILABILITY OF SERVICE.

This rider shall be available through May 31, 2012 for Emergency Curtailable Service (ECS) to Kentucky Power Company (KPCo or the Company) retail customers taking firm service from the Company under Tariffs MGS, MGS-TOD, LGS, LGS-TOD, QP,CIP-TOD or MW. The Company reserves the right to limit the amount of ECS capacity contracted under this Rider. The Company will take ECS requests in the order received. If ECS requests exceed the Company's needs to meet its FRR requirements, the Company will bid the remaining capacity into the PJM RPM auction if the PJM rules permit it, providing those customers the compensation available under this rider. The PJM Demand Response Program shall not be available to customers eligible for this service.

CONDITIONS OF SERVICE.

1. The provisions of this Rider qualify under the PJM Emergency Demand Response Program as of the effective date. If the PJM Tariff is subsequently revised, the Company reserves the right to make comparable changes to this Rider in order to continue to qualify under the PJM Emergency Demand Response Program.
2. The Company reserves the right to call for (request) customers to curtail use of the customer's ECS load when, in the sole judgment of the Company, an emergency condition exists on the American Electric Power (AEP) System or the PJM Interconnection, L.L.C. (PJM) RTO. The Company shall determine that an emergency condition exists if curtailment of load served under this Rider is necessary in order to maintain service to the Company's other firm service customers according to the AEP System Emergency Operating Plan or if PJM issues an Emergency Curtailable Service Notice.
3. The Company will endeavor to provide as much advance notice as possible of curtailments under this Rider including an estimate of the duration of such curtailments. However, the customer's ECS load shall be curtailed within 2 hours if so requested.
4. In no event shall the customer be subject to ECS load curtailment under the provisions of this Rider for more than 60 hours during any year or for more than 10 interruptions per year. However, a customer must agree to be subject to ECS Curtailments of up to 6-hour duration for each curtailment event, on weekdays between 12 noon to 8 pm for the months May through September and between 6 am to 10 pm for the months October through April.
5. The Company will inform the Customer regarding the communication process of notices to curtail. The customer is ultimately responsible for receiving and acting upon a curtailment notification from the Company.
6. No responsibility or liability of any kind shall attach to or be incurred by the company or the AEP system for, or on account of, any loss, cost, expense, or damage caused by or resulting from, either directly or indirectly, any curtailment of service under the provisions of this rider.
7. If no Emergency events are called during the summer of the delivery year, the Company will conduct a test and verify the customer's ability to curtail as required by the PJM RTO. The Company reserves the right to re-test the customer if the Company does not achieve the minimum 80% compliance testing standards for all of the Company's ECS customers as required by PJM. These tests must be conducted for one hour during the on-peak hours from June 1 through September 30 during the delivery year.

(Cont'd on Sheet No. 24-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

RIDER E.C.S. - C. & E. (Cont'd)
(Emergency Curtailable Service – Capacity & Energy Rider)

CONDITIONS OF SERVICE (Cont.)

8. The Company reserves the right to discontinue service to the customer under this Rider if the customer fails to curtail under any circumstances as requested by the Company.

CURTAILED DEMAND.

The customer's Curtailed Demand is determined based upon which method of measurement the customer chooses. The customer may choose one of two methods to measure the curtailed demand: 1) Guaranteed Load Drop (GLD) or 2) Firm Service Level (FSL). The method chosen shall remain in effect for an entire delivery year, June 1 through May 31 of the following year as defined by PJM.

Guaranteed Load Drop (GLD) Method

GUARANTEED LOAD DROP (GLD).

Each customer must designate a Guaranteed Load Drop, which amount shall be the minimum demand reduction that the customer will provide for each hour during a curtailment event or during a curtailment test.

CUSTOMER BASELINE LOAD CALCULATION.

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest 4 out of the 5 most recent similar non-event days in the period preceding the relevant load reduction event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday) with the highest energy consumption spanning the event period hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the company and customer may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

CURTAILED ENERGY.

The Curtailed Energy shall be determined for each event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

CURTAILMENT CREDITS.

The Curtailment Energy Credit shall be 80 percent of the AEP East Load Zone hourly Real-Time Locational Marginal Price (LMP) established by PJM (including congestion and marginal losses) for each event hour.

The Curtailment Demand Credit shall be 80 percent of the Reliability Pricing Model (RPM) auction price established by PJM in its Base Residual capacity auction for the current delivery year, expressed in \$/MW-day multiplied by the GLD MWs.

(Cont'd on Sheet No. 24-3)

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RIDER E.C.S. - C. & E. (Cont'd)
(Emergency Curtailable Service – Capacity & Energy Rider)

MONTHLY DEMAND CREDIT.

The Monthly Demand Credit shall be equal to one-twelfth of the product of the Guaranteed Load Drop and the Curtailment Demand Credit times 365. The Monthly Demand Credit shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

MONTHLY EVENT CREDIT.

An Event Credit shall be calculated for each event hour equal to the product of the Curtailed Energy for that hour and the Curtailment Energy Credit for that hour. The Monthly Event Credit shall be the sum of the hourly event credits for all events occurring in the calendar month, but shall not exceed the customer's monthly energy charge under the applicable tariff. The customer shall not receive event credit for any curtailment periods to the extent that the customer's curtailable load is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions, or any event other than the customer's normal operating conditions.

NONCOMPLIANCE CHARGE.

If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Noncompliance Charge shall apply. If a customer does not reduce load by the full GLD, a noncompliance charge shall apply. For this purpose, Actual Load Drop (ALD) is defined as the difference between the customer's CBL (Customer Baseline Load) and their actual hourly load. If the ALD is less than the GLD, the customer will be in non-compliance.

The Noncompliance Demand Charge will be calculated based on the number of events missed because the customer did not curtail and the total number of events called by AEP to date. A penalty will be determined as the non-compliance load times the RPM auction price (\$/MW-day) times 365, (e.g. curtailment of only 80 MW of a 100 MW ECS load is non-compliance and counts as a missed event, but the customer's annual payment will be reduced only for the 20 MW non-compliance load times the appropriate percentage from the table below). The penalty will then be multiplied by the percentage of reduction based upon the number of non-compliance events for the customer compared to the number of events called. Below is a table of annual payment reduction percentages.

| Annual Payment Reduction Percentages for Non-compliance | | | | | |
|---|----------------------------------|------|------|------|-----------|
| Missed Events | Number of Events Called Annually | | | | |
| | 1 | 2 | 3 | 4 | 5 or more |
| 1 | 100% | 50% | 33% | 25% | 20% |
| 2 | | 100% | 67% | 50% | 40% |
| 3 | | | 100% | 75% | 60% |
| 4 | | | | 100% | 100% |

If the customer misses four events, the customer will be charged 100% of the total annual payment amount. The Company and the customer will discuss methods to comply during future events, but ultimately the customer can be dismissed from the program if either party is not satisfied that the problem has been resolved. Further, the customer's service under this Rider may be discontinued pursuant to the Conditions of Service.

(Cont'd on Sheet No. 24-4)

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Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

RIDER E.C.S. - C. & E. (Cont'd)
(Emergency Curtailable Service – Capacity & Energy Rider)**Firm Service Level (FSL) Method****PEAK LOAD CONTRIBUTION.**

A Customer's Peak Load Contribution (PLC) will be calculated each year as the average of its load during PJM's five highest peak loads during the twelve month period ended October 31 of the previous year.

AVAILABLE CURTAILBLE DEMAND (ACD).

Each customer must designate an Available Curtailable Demand, defined as the difference between the PLC and the Firm Service Level (FSL). The FSL demand is the level to which the customer agrees to reduce load to or below for each hour during a curtailment event.

CUSTOMER BASELINE LOAD CALCULATION.

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest 4 out of the 5 most recent similar non-event days in the period preceding the relevant load reduction event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday) with the highest energy consumption spanning the event period hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the company and customer may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

CURTAILED ENERGY.

The Curtailed Energy shall be determined for each event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

CURTAILMENT CREDITS.

The Curtailment Demand Credit shall be 80 percent of the Reliability Pricing Model (RPM) auction price established by PJM in its Base Residual capacity auction for the current delivery year, expressed in \$/MW-day multiplied by the Available Curtailable Demand.

MONTHLY DEMAND CREDIT.

The Monthly Demand Credit shall be equal to one-twelfth of the product of the Available Curtailable Demand and the Curtailment Demand Credit (\$/MW-day) times 365. The Monthly Demand Credit shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

MONTHLY EVENT CREDIT.

An Event Credit shall be calculated for each event hour equal to the product of the Curtailed Energy for that hour and the Curtailment Energy Credit for that hour. The Monthly Event Credit shall be the sum of the hourly event credits for all events occurring in the calendar month, but shall not exceed the customer's monthly energy charge under the applicable tariff. The customer shall not receive event credit for any curtailment periods to the extent that the customer's curtailable load is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions, or any event other than the customer's normal operating conditions.

(Cont'd on Sheet No. 24-5)

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RIDER E.C.S. - C. & E. (Cont'd)
(Emergency Curtailable Service – Capacity & Energy Rider)

NONCOMPLIANCE CHARGE.

If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Noncompliance Charge shall apply. If a customer is operating at or below their designated Firm Service Level during an event, it will be understood that they have no capacity available with which to comply and will not be charged a noncompliance penalty. If the metered demand during the curtailment event is above the designated FSL, the customer will be considered non-compliant. The amount of non-compliance demand is equal to the difference between the customer's metered demand and the designated FSL.

The Noncompliance Demand Charge will be calculated based on the number of events during which the customer was noncompliant and the total number of events called by AEP to date. A penalty will be determined as the amount of non-compliance load times the RPM auction price (\$/MW-day) times 365, (e.g. curtailment of only 80 MW of a 100 MW ECS load is non-compliance and counts as a missed event, but the customer's annual payment will be reduced only for the 20 MW non-compliance load times the appropriate percentage from the table below). The penalty will then be multiplied by the percentage of reduction based upon the number of non-compliance events for the customer compared to the number of events called. Below is a table of annual payment reduction percentages.

| Annual Payment Reduction Percentages for Non-compliance | | | | | |
|---|----------------------------------|------|------|------|-----------|
| Missed Events | Number of Events Called Annually | | | | |
| | 1 | 2 | 3 | 4 | 5 or more |
| 1 | 100% | 50% | 33% | 25% | 20% |
| 2 | | 100% | 67% | 50% | 40% |
| 3 | | | 100% | 75% | 60% |
| 4 | | | | 100% | 100% |

If the customer misses four events, the customer will be charged 100% of their total annual payment amount, will be dismissed from the program, and may not be eligible to participate in the program until both parties are satisfied that the problem has been resolved. Further, the customer's service under this Rider may be discontinued pursuant to the Conditions of Service.

Additional Provisions**CUSTOMER CREDIT.**

The monthly credit(s) will be provided to the customer by check within 60 days after the end of the month. A customer may request aggregation of individual customer accounts into a single credit.

CUSTOMER CHARGE.

Customers taking service under this Rider shall pay a monthly customer charge of \$10.00 per account to offset the cost of the customer-related expenses for additional load determination and billing expenses. If a change in metering equipment or functionality is required, customers taking service under this Rider shall pay the additional cost of installation. The Company will make available to the customer the real time pulse metering data, if requested by the customer, for an additional fee.

(Cont'd on Sheet No. 24-6)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

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RIDER E.C.S. - C. & E. (Cont'd)
(Emergency Curtailable Service – Capacity & Energy Rider)

TERM.

Contracts under this Rider shall be made for an initial period of one year, corresponding with the PJM planning year, and shall remain in effect until either party provides to the other at least 30 days' written notice prior to the start of the registration period as provided for in the PJM Tariff for the next planning year of its intention to discontinue service under the terms of this Rider (registration period ends March 31, 2010 for the 2010/11 delivery year). However, this rider shall only be available through May 31, 2012.

SPECIAL TERMS AND CONDITIONS.

Individual customer information, including, but not limited to, ECS Contract Capacity and Curtailment Option, shall remain confidential.

If a new peak demand is set by the customer in the hour following the curtailment, due to the customer resuming the level of activity prior to the curtailment, the customer's previous high demand will be adjusted to disregard that new peak.

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY *E.K. Wagner*
E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
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Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

RIDER E.P.C.S.
(Energy Price Curtailable Service Rider)

AVAILABILITY OF SERVICE.

Available for Energy Price Curtailable Service (EPCS) to customers normally taking firm service under Tariffs M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P. and C.I.P.-T.O.D. for their total capacity requirements from the Company. The Customer must have an on-peak curtailable demand not less than 100 KW and will be compensated for KW curtailed under the provisions of this Rider.

CONDITIONS OF SERVICE.

1. The Company reserves the right to curtail service to the Customer's EPCS load at the Company's sole discretion.
2. The Company will endeavor to provide as much advance notice as possible of curtailments under this Rider including an estimate of the duration of such curtailments. However, the Customer's EPCS load shall be curtailed within 1 (one) hour if so requested.
3. For purposes of this Rider, seasons are defined as follows:

| | |
|--------|---------------------------------|
| Winter | December, January and February |
| Spring | March, April and May |
| Summer | June, July and August |
| Fall | September, October and November |
4. The Company and the Customer shall mutually agree upon the method which the Company shall use to notify the Customer of a curtailment under the provisions of this Rider. The method shall specify the means of communicating such curtailment (e.g., the Company's customer communication system, telephone, pager) and shall designate the Customer's representatives to receive said notification. The Customer is ultimately responsible for receiving and acting upon a curtailment notification from the Company.
5. No responsibility or liability of any kind shall attach to or be incurred by the Company or the AEP System for, or on account of, any loss, cost, expense or damage caused by or resulting from, either directly or indirectly, any curtailment of service under the provisions of this Rider.
6. The Company reserves the right to test and verify the Customer's ability to curtail. Such test will be limited to one curtailment per contract term. Any failure of the customer to comply with a request to curtail load will entitle the Company to call for one additional test. The Company agrees to notify the Customer as to the month in which the test will take place, and will consider avoiding tests on days, which may cause a unique hardship to the Customer's overall operation. There shall be no credits for test curtailments nor charge for failure to curtail during a test.
7. Upon receiving a curtailment notice from the Company, the customer must respond within 45 minutes when the request is made on a day-ahead basis and within 15 minutes when a request is made for the current day if the customer intends to participate in the curtailment event. Customers who fail to respond, or respond that they will not participate in the curtailment event, will receive no payments, nor be subject to any monetary charges described elsewhere under this Rider. However, a customer's failure to respond or a response that the customer will not participate will be considered as a failure to curtail for purposes of Paragraph 8 below.
8. The Company reserves the right to discontinue service to the Customer under this Rider if the Customer fails to curtail under any circumstances three or more times during a season as requested by the Company.

(Cont'd on Sheet No. 25-2)

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RIDER E.P.C.S. (Cont'd)
(Energy Price Curtailable Service Rider)**CONDITIONS OF SERVICE, Continued**

9. The Customer shall not receive credit for any curtailment periods in which the Customer's curtailable load is already down for an extended period due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, or any event other than the customer's normal operating conditions.

CURTAILMENT OPTION.

At the time the customer contracts for service under this Rider, the customer shall select one or both of the following Curtailment Notice Types:

| | |
|---------------|--------------------------|
| Notice Type 1 | Day-ahead Notification |
| Notice Type 2 | Current Day Notification |

At the time the customer selects one or both types of Notice Types above, the Customer shall also select one of the following Curtailment Limits for each Notice Type selected:

| | <u>Maximum Duration</u> |
|----------|-------------------------|
| Option A | 2 hours |
| Option B | 4 hours |
| Option C | 8 hours |

The Curtailment Limit is the maximum number of hours per curtailment event for which load may be curtailed under the provisions of this Rider. The Customer shall receive credit for a minimum of 2 (two) hours per curtailment event, even if the event is shorter than two hours.

The Customer shall specify the Maximum Number of Days during the season that the Customer may be requested to curtail under each Notice Type chosen. The Customer shall also specify the Minimum Price at which the customer would be willing to curtail under each Notice Type chosen. The Company, at its discretion will determine whether the Customer shall be curtailed give the Customer's specified Curtailment Options.

EPCS CONTRACT CAPACITY.

Each Customer shall have an EPCS Contract Capacity to be considered as price curtailable capacity under this Rider. The Customer shall specify the Non-EPCS Demand, which shall be the demand at or below which the Customer will remain during curtailment periods. The EPCS Contract Capacity shall be the difference between the Customer's typical on-peak demand and the Customer's specified Non-EPCS Demand. The Company shall determine the Customer's typical on-peak demand, as agreed upon by the Company and the Customer. For the purpose of this Rider, the on-peak billing period is defined as 7:00 a.m. to 11:00 p.m., local time, for all weekdays, Monday through Friday.

The Customer may modify the amount of EPCS Contract Capacity and/or the Curtailment Options no more than once prior to each season. Modifications must be received by the Company in writing no later than 30 days prior to the beginning of the season.

CURTAILED DEMAND.

For each curtailment period, Curtailed Demand shall be defined as the difference between the Customer's typical on-peak demand and the maximum 15-minute integrated demand during each interval of the curtailment period.

(Cont'd on Sheet No. 25-3)

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RIDER E.P.C.S. (Cont'd)
(Energy Price Curtailable Service Rider)

(T)

CURTAILMENT CREDIT.

Hourly PCS Energy shall be defined as the sum of the Curtailed Demand for each 15-minute interval of the hour divided by four (4). The Curtailment credit shall be equal to the product of the Hourly EPCS Energy and the greater of the following: (a) 80% of the AEP East Load Zone Real-Time Locational Marginal Price (LMP) established by PIM (including congestion and marginal losses) (b) the Minimum Price as specified by the Customer or (c) 3.5 cents/kWh.

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MONTHLY CREDIT.

The Monthly Credit shall be equal to the product of the PCS Energy and the applicable Curtailment Option Credit less any Noncompliance Charges. The Monthly Credit will be provided to the Customer by check within 30 days after the end of the month in which the curtailment occurred. This amount will be recorded in the Federal Energy Regulatory Commission's Uniform System of Accounts under Account 555, Purchased Power, and will be recorded in a subaccount so that the separate identify of this cost is preserved.

(T)

NONCOMPLIANCE CHARGES

If the Customer responds affirmatively that it will participate in a curtailment event, and subsequently fails to fully comply with a request for curtailment under the provisions of this Rider, then the Noncompliance Demand shall be the difference between the maximum 15-minute integrated demand during each hour of the curtailment period and the Non-EPCS Demand. Noncompliance Demand shall be billed at a rate equal to the applicable Curtailment Credit for the hours during which the Customer failed to fully comply.

(T)

TERM.

Contracts under this Rider may be made for an initial period of one (1) season and shall remain in effect thereafter until either party provides to the other at least 30 days' written notice prior to the start of the next season of its intention to discontinue service under the terms of this Rider.

SPECIAL TERMS AND CONDITIONS.

Individual Customer information, including, but not limited to, EPCS Contract Capacity and Curtailment Options, shall remain confidential.

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If a change in metering equipment or functionality is required, customers taking service under this Rider shall pay the additional cost of installation. The Company will make available to the customer the real time pulse metering data, if requested by the customer, for an additional fee.

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DATE OF ISSUE July 16, 2010DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
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TARIFF N.U.G.
(Non-Utility Generator)**AVAILABILITY OF SERVICE.**

This tariff is applicable to customers with generation facilities which have a total design capacity of over 1,000 kW that intend to schedule, deliver and sell the net electric output of the facility at wholesale, and who require Commissioning Power, Startup Power and/or Station Power service from the Company.

Service to any load that is electrically isolated from the Customer's generator shall be separately metered and provided in accordance with the generally available demand-metered tariff appropriate for such service to the Customer.

This tariff is not available for standby, backup, maintenance, or supplemental service for wholesale or retail loads served by customer's generator.

DEFINITIONS.

1. **Commissioning Power** - The electrical energy and capacity supplied to the customer prior to the commercial operation of the customer's generator, including initial construction and testing phases.
2. **Station Power** - The electrical energy and capacity supplied to the customer to serve the auxiliary loads at the customer's generation facilities, usually when the customer's generator is not operating. Station Power does not include Startup Power.
3. **Startup Power** - The electrical energy and capacity supplied to the customer following a planned or forced outage of the customer's generator for the purpose of returning the customer's generator to synchronous operation.

COMMISSIONING POWER SERVICE.

Customers requiring Commissioning Power shall take service under Tariff T S or by special agreement with the Company.

The Customer shall coordinate its construction and testing with the Company to ensure that the customer's operations do not cause any undue interference with the Company's obligations to provide service to its other customers or impose a burden on the Company's system or any system interconnected with the Company.

STATION POWER SERVICE.

Customers requiring Station Power shall take service under the generally available demand-metered tariff appropriate for the customer's Station Power requirements.

Station Contract Capacity - The Customer shall contract for a definite amount of electrical capacity in kW sufficient to meet the maximum Station Power requirements that the Company is expected to supply under the generally available demand-metered tariff appropriate for the customer.

STARTUP POWER SERVICE.

Customers requiring Startup Power have the option of contracting for such service under the terms of this tariff or under the generally available demand-metered tariff appropriate for the customer's Startup Power requirements.

Startup Contract Capacity - The Customer shall contract for a definite amount of electrical capacity in kW sufficient to meet the maximum Startup Power requirements that the Company is expected to supply.

Startup Duration - The Customer shall contract for a definite number of hours sufficient to meet the maximum period of time for which the Company is expected to supply Startup Power.

Startup Frequency - The Customer shall contract for a definite number of startup events sufficient to meet the maximum number of times per year that the Company is expected to supply Startup Power.

Other Startup Characteristics - The customer shall provide to the Company other information regarding the customer's Startup Power requirements, including, but not limited to, anticipated time-of-use and seasonal characteristics.

Notification Requirement - Whenever Startup Power is needed, the Customer shall provide advance notice to the Company.

(Cont'd on Sheet No. 26-2)

DATE OF ISSUE July 16, 2010

DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY

E.K. Wagner
E.K. WAGNER
NAME

DIRECTOR OF REGULATORY SERVICES

TITLE

FRANKFORT, KENTUCKY

ADDRESS

TARIFF N.U.G. (Cont'd)
(Non-Utility Generator)**STARTUP POWER SERVICE. (cont'd)**

Upon receipt of a request from the Customer for Startup Power Service under the terms of this tariff, the Company will provide the Customer a written offer containing the Notification Requirement, generation rates (including demand and energy charges) and related terms and conditions of service under which service will be provided by the Company. Such offer shall be based upon the Startup Contract Capacity, Startup Duration, Startup Frequency, and Other Startup Characteristics as specified by the customer. In no event shall the generation rates be less than the sum of the Tariff C.I.P.-T.O.D. Energy Charge, the Fuel Adjustment Clause, the System Sales clause, the Demand-Side Management Adjustment Clause, Environmental Surcharge and the Capacity Charge.

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If the parties reach an agreement based upon the offer provided to the customer by the Company, a contract shall be executed that provides full disclosure of all rates, terms and conditions of service under this tariff, and any and all agreements related thereto.

Monthly Transmission and Distribution Rates

| Tariff Code | Service Voltage | |
|---|------------------------|---------------------|
| | <u>Subtransmission</u> | <u>Transmission</u> |
| | <u>392</u> | <u>393</u> |
| Reservation Charge per kW | \$3.65 | \$2.30 |
| Reactive Demand Charge for each kiloVAR of maximum leading or lagging reactive demand in excess of 50% of the KW of monthly metered demand... | \$0.69 per KVAR | |

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DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

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MONTHLY BILLING DEMAND.

The monthly billing demand in kW shall be taken each month as the highest single 15-minute integrated peak in kW as registered by a demand meter or indicator, less the Station Contract Capacity. The monthly billing demand so established shall in no event be less than the greater of (a) the Startup Contract Capacity or b) the customer's highest previously established monthly billing demand during the past 11 months.

MONTHLY BILLING ENERGY.

Interval billing energy shall be measured each 15-minute interval of the month as the total KWH registered by an energy meter or meters less the quotient of the Station Contract Capacity and four (4). In no event shall the interval billing energy be less than zero (0). Monthly billing energy shall be the sum of the interval billing energy for all intervals of the billing month.

(Cont'd on Sheet No. 26-3)

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TARIFF N.U.G. (Cont'd)
(Non-Utility Generator)**TRANSMISSION SERVICE.**

Transmission Provider – The entity providing transmission service to customers in the Company's service territory. Such entity may be the Company or a regional transmission entity.

Prior to taking service under this tariff, the Customer must have a fully executed Interconnection and Operation Agreement with the Company and/or the Transmission Provider or an unexecuted agreement filed with the Federal Energy Regulatory Commission under applicable procedures.

Should the Transmission Provider implement charges for Transmission Congestion, the Company shall provide 30 days written notice to the customer. Upon the expiration of such notice period, should the customer's use of Startup Power result in any charges for Transmission Congestion from the Transmission Provider, such charges, including any applicable taxes or assessments, shall be paid by or passed through to the customer without markup. Transmission Congestion is the condition that exists when market participants seek to dispatch in a pattern that would result in power flows that cannot be physically accommodated by the system.

TERM OF CONTRACT.

Contracts under this tariff will be made for an initial period of not less than one year and shall remain in effect thereafter until either party shall give at least 6 months' written notice to the other of the intention to terminate the contract. The Company reserves the right to require initial contracts for periods greater than one year.

A new initial contract period will not be required for existing customers who change their contract requirements after the original initial period unless new or additional facilities are required.

The Company may not be required to supply capacity in excess of that contracted for except by mutual agreement. Contracts will be made in multiples of 100 kW.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff shall not obligate the Company to purchase or pay for any capacity or energy produced by the Customer's generator.

Customers desiring to provide Startup and Station Power from commonly owned generation facilities that are not located on the site of the customer's generator (remote self-supply), shall take service under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with and accepted by the Federal Energy Regulatory Commission.

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NAME TITLE ADDRESS

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TARIFF N.M.S.
(Net Metering Service)**AVAILABILITY OF SERVICE.**

Net Metering is available to eligible customer-generators in the Company's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the Company's single hour peak load in Kentucky during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of the Company's single hour peak load during the previous year, upon Commission approval, the Company's obligation to offer net metering to a new customer-generator may be limited. An eligible customer-generator shall mean a retail electric customer of the Company with a generating facility that:

- (1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- (2) Has a rated capacity of not greater than thirty (30) kilowatts;
- (3) Is located on the customer's premises;
- (4) Is owned and operated by the customer;
- (5) Is connected in parallel with the Company's electric distribution system; and
- (6) Has the primary purpose of supplying all or part of the customer's own electricity requirements.

At its sole discretion, the Company may provide Net Metering to other customer-generators not meeting all the conditions listed above on a case-by-case basis.

The term "Customer" hereinafter shall refer to any customer requesting or receiving Net Metering services under this tariff.

METERING.

Net energy metering shall be accomplished using a standard kilowatt-hour meter capable of measuring the flow of electricity in two (2) directions. If the existing electrical meter installed at the customer's facility is not capable of measuring the flow of electricity in two directions, the Company will provide the customer with the appropriate metering at no additional cost to the customer. If the customer requests any additional meter or meters or if distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.

BILLING/MONTHLY CHARGES.

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the Company's standard service tariff under which the customer would otherwise be served, absent the customer's electric generating facility. Energy charges under the customer's standard tariff shall be applied to the customer's net energy for the billing period to the extent that the net energy exceeds zero. If the customer's net energy is zero or negative during the billing period, the customer shall pay only the non-energy charge portions of the standard tariff bill. If the customer's net energy is negative during a billing period, the customer shall be credited in the next billing period for the kWh difference. If time-of-day metering is used, energy flows in both directions shall be netted and accounted for at the specific time-of-use in accordance with the provisions of the customer's standard tariff and this Net Metering Service Tariff. When the customer elects to no longer take service under this Net Metering Service Tariff, any unused credit shall revert to the Company. Excess electricity credits are not transferable between customers or locations.

(Cont'd on Sheet No. 27-2)

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TARIFF N.M.S. (Cont'd)
(Net Metering Service)**APPLICATION AND APPROVAL PROCESS.**

The Customer shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from the Company prior to connecting the generator facility to the Company's system.

Applications will be submitted by the Customer and reviewed and processed by the Company according to either Level 1 or Level 2 processes defined below.

The Company may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, the Company will work with the Customer to resolve those issues to the extent practicable.

Customers may contact the Company to check on the status of an Application or with questions prior to submitting an Application. Company contact information can be found on Kentucky Power Company's Application Form or on the Company's website.

LEVEL 1 AND LEVEL 2 DEFINITIONS.**LEVEL 1**


A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 "Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources" (UL 1741).

The Company will approve the Level 1 Application if the generating facility also meets all of the following conditions:

- (1) For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section's most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
- (2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- (3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- (4) If the generating facility is to be connected to three-phase, three wire primary Company distribution lines, the generator shall appear as a phase-to-phase connection at the primary Company distribution line.
- (5) If the generating facility is to be connected to three-phase, four wire primary Company distribution lines, the generator shall appear to the primary Company distribution line as an effectively grounded source.
- (6) The interconnection will not be on an area or spot network.
- (7) The Company does not identify any violations of any applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems."
- (8) No construction of facilities by the Company on its own system will be required to accommodate the generating facility.

(Cont'd on Sheet No. 27-3)

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TARIFF N.M.S. (Cont'd)
(Net Metering Service)**LEVEL 1, continued**

If the generating facility does not meet all of the above listed criteria, the Company, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if the Company determines that the generating facility can be safely and reliably connected to the Company's system; or 2) deny the Application as submitted under the Level 1 Application.

The Company shall notify the customer within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

If the Application lacks complete information, the Company shall notify the customer that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, the Company will indicate by signing the approval line on the Level 1 Application Form and returning it to the customer. The approval will be subject to successful completion of an initial installation inspection and witness test if required by the Company. The Company's approval section of the Application will indicate if an inspection and witness test are required. If so, the customer shall notify the Company within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by the Company and the customer. The customer may not operate the generating facility until successful completion of such inspection and witness test, unless the Company expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to noncompliance with any provision in the Application and Company approval, the customer shall not operate the generating facility until any and all noncompliance is corrected and re-inspected by the Company.

If the Application is denied, the Company will supply the customer with reasons for denial. The customer may resubmit under Level 2 if appropriate.

LEVEL 2

A Level 2 Application is required under any of the following:

- (1) The generating facility is not inverter based;
- (2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- (3) The generating facility does not meet one or more of the additional conditions under Level 1.

The Company will approve the Level 2 Application if the generating facility meets the Company's technical interconnection requirements, which are based on IEEE 1547. The Company shall make its technical interconnection requirements available online and upon request.

(Cont'd on Sheet No. 27-4)

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TARIFF N.M.S. (Cont'd)
(Net Metering Service)**LEVEL 2, continued**

The Company will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time the Company will respond in one of the following ways:

- (1) The Application is approved and the Company will provide the customer with an Interconnection Agreement to sign.
- (2) If construction or other changes to the Company's distribution system are required, the cost will be the responsibility of the customer. The Company will give notice to the customer and offer to meet to discuss estimated costs and construction timeframe. Should the customer agree to pay for costs and proceed, the Company will provide the customer with an Interconnection Agreement to sign within a reasonable time.
- (3) The Application is denied. The Company will supply the customer with reasons for denial and offer to meet to discuss possible changes that would result in Company approval. Customer may resubmit Application with changes.

If the Application lacks complete information, the Company shall notify the customer that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to the Company's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

The customer may not operate the generating facility until an Interconnection Agreement is signed by the customer and Company and all necessary conditions stipulated in the agreement are met.

APPLICATION, INSPECTION AND PROCESSING FEES.

No application fee or other review, study, or inspection or witness test fees will be charged by the company for Level 1 Application.

The Company will require each customer to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100. In the event the Company determines an impact study is necessary with respect to a Level 2 Application, the customer shall be responsible for any reasonable costs up to \$1,000 for the initial impact study. The Company shall provide documentation of the actual cost of the impact study. Any other studies requested by the customer shall be at the customer's sole expense.

(Cont'd on Sheet No. 27-5)

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TARIFF N.M.S. (Cont'd)
(Net Metering Service)**TERMS AND CONDITIONS FOR INTERCONNECTION.**

To interconnect to the Company's distribution system, the customer's generating facility shall comply with the following terms and conditions:

- (1) The Company shall provide the customer net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the customer requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
- (2) The customer shall install, operate, and maintain, at customer's sole cost and expense, any control, protective, or other equipment on the customer's system required by the Company's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Company's electric system. Customer shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from the Company, the customer shall demonstrate generating facility compliance.
- (3) The generating facility shall comply with, and the customer shall represent and warrant its compliance with:
(a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Company's rules, regulations, and Company's Terms and Conditions of Service as contained in Company's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, customer shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- (4) Any changes or additions to the Company's system required to accommodate the generating facility shall be considered excess facilities. Customer shall agree to pay Company for actual costs incurred for all such excess facilities prior to construction.
- (5) Customer shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. At all times when the generating facility is being operated in parallel with Company's electric system, customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system. Customer shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Company's ability to meet its primary responsibility of furnishing reasonably adequate service to its customers.

(Cont'd on Sheet No. 27-6)

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**TARIFF N.M.S.
(Net Metering Service)**

TERMS AND CONDITIONS FOR INTERCONNECTION, continued

- (6) Customer shall be responsible for protecting, at customer's sole cost and expense, the generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that the Company shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of the Company.
- (7) After initial installation, Company shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- (8) For Level 1 and 2 generating facilities, where required by the Company, an eligible customer shall furnish and install on customer's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the customer's energy generating equipment from Company's electric service under the full rated conditions of the customer's generating facility. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the customer shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Company personnel at all times. The Company may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under the Company's safety and operating protocols.

The Company shall establish a training protocol for line workers on the location and use of the EDS, and shall require that the EDS be used when appropriate, and that the switch be turned back on once the disconnection is no longer necessary.

- (9) Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require the customer to discontinue operation of the generating facility if Company believes that: (a) continued interconnection and parallel operation of the generating facility with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or customer's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Company's electric system; or (c) the generating facility interferes with the operation of Company's electric system. In non-emergency situations, Company shall give customer notice of noncompliance including a description of the specific noncompliance condition and allow customer a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Company is unable to immediately isolate or cause the customer to isolate only the generating facility, the Company may isolate the customer's entire facility.

(Cont'd on Sheet No. 27-7)

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**TARIFF N.M.S.
(Net Metering Service)****TERMS AND CONDITIONS FOR INTERCONNECTION, continued**

- (10) Customer shall agree that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- (11) To the extent permitted by law, the customer shall protect, indemnify, and hold harmless the Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the customer or the customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the customer's generating facility or any related equipment or any facilities owned by the Company except where such injury, death or damage was caused or contributed to by the fault or negligence of the Company or its employees, agents, representatives, or contractors.
- The liability of the Company to the customer for injury to person and property shall be governed by the tariff(s) for the class of service under which the customer is taking service.
- (12) The customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. Customer shall, upon request, provide Company with proof of such insurance at the time that application is made for net metering.
- (13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- (14) A customer's generating facility is transferable to other persons or service locations only after notification to the Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, customer, or location, the Company will verify that the installation is in compliance with this tariff and provide written notification to the customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, the Company will notify the customer in writing and list what must be done to place the facility in compliance.
- (15) The customer shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

(Cont'd on Sheet No. 27-8)

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**TARIFF N.M.S.
(Net Metering Service)****TERM OF CONTRACT.**

Any contract required under this tariff shall become effective when executed by both parties and shall continue in effect until terminated. The contract may be terminated as follows: (a) Customer may terminate the contract at any time by giving the Company at least sixty (60) days' written notice; (b) Company may terminate upon failure by the customer to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the contract or the rules or any rate schedule, tariff, regulation, contract, or policy of the Company, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) the Company may terminate by giving the customer at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service and all provisions of the standard service tariff under which the customer takes service. This tariff is also subject to the applicable provisions of the Company's Technical Requirements for Interconnection.

(Cont'd on Sheet No. 27-9)

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TARIFF N.M.S.
(Net Metering Service)**Application For Interconnection And Net Metering – Level 1**

Use this Application only for: 1.) a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741, 2.) less than or equal to 30 kW generation capacity and 3.) connecting to Kentucky Power distribution system.

Submit this Application to:

*Terry Hemsworth
American Electric Power
1 Riverside Plaza
Columbus, Ohio 43215-2373
614-716-4020 Office / 614-716-1414 Fax
tlhemsworth@aep.com*

(Contact person listed is subject to change.
Please visit our website for up-to-date
information <http://www.kentuckypower.com>)

Applicant

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Phone: (____) _____ Phone: (____) _____
E-mail address: _____

Service Location

Street Address: _____
City: _____ State: _____ Zip: _____
Electric Service Account Number: _____

Alternate Contacts

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

| <u>Name</u> | <u>Company</u> | <u>Telephone/Email</u> |
|-------------|----------------|------------------------|
|-------------|----------------|------------------------|

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
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(Cont'd on Sheet No. 27-10)

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E. R. WAGNER
NAME

DIRECTOR REGULATORY SERVICES

TITLE

FRANKFORT, KENTUCKY

ADDRESS

**TARIFF N.M.S.
(Net Metering Service)*****APPLICATION FOR INTERCONNECTION AND NET METERING,
LEVEL 1 – CONTINUED*****Equipment Qualifications**

Energy Source: () Solar () Wind () Hydro () Biogas () Biomass

Inverter Manufacturer: _____ Model: _____

Inverter Power Rating: _____ Voltage Rating: _____

Power Rating of Energy Source (i.e., solar panels, wind turbine): _____

Battery Storage: () Yes () No If Yes, Battery Power Rating: _____

*Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.**Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.**Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

Expected Start-up Date: _____

(Cont'd on Sheet No. 27-11)

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**TARIFF N.M.S.
(Net Metering Service)****TERMS AND CONDITIONS FOR LEVEL 1:**

- 1 Kentucky Power Company (Company) shall provide customer net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the customer requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
- 2 Customer shall install, operate, and maintain, at customer's sole cost and expense, any control, protective, or other equipment on the customer's system required by the Company's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient, and reliable operation of the generating facility in parallel with Company's electric system. Customer shall bear full responsibility for the installation, maintenance, and safe operation of the generating facility. Upon reasonable request from the Company, customer shall demonstrate generating facility compliance.
- 3 The generating facility shall comply with, and the customer shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (NEC) as may be revised from time to time; (c) Company's rules, regulations, and Company's Terms and Conditions of Service as contained in Company's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, customer shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4 Any changes or additions to the Company's system required to accommodate the generating facility shall be considered excess facilities. Customer shall agree to pay Company for actual costs incurred for all such excess facilities prior to construction.
- 5 Customer shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics, or otherwise interfere with the operation of Company's electric system. At all times when the generating facility is being operated in parallel with Company's electric system, customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system. Customer shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Company's ability to meet its primary responsibility of furnishing reasonably adequate service to its customers.
- 6 Customer shall be responsible for protecting, at customer's sole cost and expense, the generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that the Company shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of the Company.

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**TARIFF N.M.S.
(Net Metering Service)****TERMS AND CONDITIONS FOR LEVEL 1, continued**

- 7 After initial installation, Company shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the generating facility comply with the requirements of this tariff.
- 8 For Level 1 generating facilities, where required by the Company, an eligible customer shall furnish and install on customer's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the customer's energy generating equipment from Company's electric service under the full rated conditions of the customer's generating facility. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Company personnel at all times. The Company may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under the Company's safety and operating protocols.
- The Company shall establish a training protocol for line workers on the location and use of the EDS, and shall require that the EDS be used when appropriate, and that the switch be turned back on once the disconnection is no longer necessary.
- 9 Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require the customer to discontinue operation of the generating facility if Company believes that: (a) continued interconnection and parallel operation of the generating facility with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or customer's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability or power quality of Company's electric system; or (c) the generating facility interferes with the operation of Company's electric system. In non-emergency situations, Company shall give customer notice of noncompliance including a description of the specific noncompliance condition and allow customer a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Company is unable to immediately isolate or cause the customer to isolate only the generating facility, the Company may isolate the customer's entire facility.
- 10 Customer shall agree that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.

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**TARIFF N.M.S.
(Net Metering Service)**

TERMS AND CONDITIONS FOR LEVEL 1, continued

- 11 To the extent permitted by law, the customer shall protect, indemnify, and hold harmless the Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the customer or the customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating the customer's generating facility or any related equipment or any facilities owned by the Company except where such injury, death or damage was caused or contributed to by the fault or negligence of the Company or its employees, agents, representatives, or contractors.
- The liability of the Company to the customer for injury to person and property shall be governed by the tariff(s) for the class of service under which the customer is taking service.
- 12 The Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for Level 1 generating facilities. Customer shall, upon request, provide Company with proof of such insurance at the time that application is made for net metering.
- 13 By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14 Customer's generating facility is transferable to other persons or service locations only after notification to the Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, customer, or location, the Company will verify that the installation is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, the Company will notify the customer in writing and list what must be done to place the facility in compliance.
- 15 The customer shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

(Cont'd on Sheet No. 27-14)

DATE OF ISSUE July 16, 2010DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. R. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order by the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

**TARIFF N.M.S.
(Net Metering Service)****TERMS AND CONDITIONS FOR LEVEL 1, continued****Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement at any time by giving the Company at least sixty (60) days' written notice; (b) Company may terminate upon failure by the Customer to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of the Company, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) the Company may terminate by giving the Customer at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute. I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Company's Net Metering Tariff.

Customer Signature: _____ Date: _____

COMPANY APPROVAL SECTION

When signed below by a Company representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

Company inspection and witness test: ☐ Required ☐ Waived

If Company inspection and witness test is required, Customer shall notify the Company within three (3) business days of completion of the generating facility installation and schedule an inspection and witness test with the Company to occur within ten (10) business days of completion of the generating facility installation or as otherwise agreed to by the Company and the Customer. Unless indicated below, the Customer may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Customer may not operate the generating facility until all other terms and conditions in the Application have been met.

Call: _____ to schedule an inspection and witness test.

Pre-Inspection operational testing not to exceed two (2) hours: ☐ Allowed ☐ Not Allowed

If Company inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information: ☐ None ☐ As specified here:

Approved by: _____ Date: _____

Printed Name: _____ Title: _____

(Cont'd on Sheet No. 27-15)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. Wagner DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order by the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

**TARIFF N.M.S.
(Net Metering Service)****Application for Interconnection and Net Metering -- Level 2**

Use this Application form for connecting to the Kentucky Power distribution system and: 1.) the generating facility is not inverter based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or 2.) does not meet any of the additional conditions under a Level 1 Application (inverter based and less than or equal to 30kW generation).

Submit this Application (along with the application fee of \$100) to:

Terry Hemsworth
American Electric Power
1 Riverside Plaza
Columbus, Ohio 43215-2373
614-716-4020 Office / 614-716-1414 Fax
tlhemsworth@aep.com

(Contact person listed is subject to change.
Please visit our website for up-to-date
information <http://www.kentuckypower.com>)

Applicant

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Project Contact Person: _____

Phone: (____) _____ Phone: (____) _____

E-mail Address: _____

Service Location

Street Address: _____

City: _____ State: _____ Zip: _____

Electric Service Account Number: _____

Alternate Contacts

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

| <u>Name</u> | <u>Company</u> | <u>Telephone/Email</u> |
|-------------|----------------|------------------------|
|-------------|----------------|------------------------|

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
|-------|-------|-------|

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
|-------|-------|-------|

(Cont'd on Sheet No. 27-16)

DATE OF ISSUE July 16, 2010

DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY

E.K. Wagner
E. K. WAGNER
NAME

DIRECTOR REGULATORY SERVICES

TITLE

FRANKFORT, KENTUCKY

ADDRESS

**TARIFF N.M.S.
(Net Metering Service)****APPLICATION FOR INTERCONNECTION AND NET METERING,
LEVEL 2 - CONTINUED****Equipment Qualifications**

Total Generating Capacity (kW) of the Generating Facility: _____

Type of Generator: () Inverter-Based () Synchronous () Induction

Energy Source: () Solar () Wind () Hydro () Biogas () Biomass

*Attach documentation showing that inverter is certified by a nationally recognizes testing laboratory to meet the requirements of UL 1741.**Attach site drawing or sketch showing locations of Kentucky Power Company meter, energy source, accessible disconnect switch and inverter.**Attach single line drawing showing all electrical equipment from the metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.*

Expected Start-up Date: _____

(Cont'd on Sheet No. 27-17)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E. R. Wagner E. R. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESSIssued by authority of an Order by the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

**TARIFF N.M.S.
(Net Metering Service)****Interconnection Agreement – Level 2**

This **Interconnection Agreement** (Agreement) is made and entered into this ____ day of _____, 20____, by and between Kentucky Power Company (Company), and _____ (Customer). Company and Customer are hereinafter sometimes referred to individually as "Party" or collectively as "Parties"

Witnesseth:

Whereas, Customer is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Company's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: _____

Generator Size and Type: _____

Now, **Therefore**, in consideration thereof, Customer and Company agree as follows:

Company agrees to allow Customer to interconnect and operate the generating Facility in parallel with the Company's electric system and Customer agrees to abide by Company's Net Metering Tariff and all Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

(Cont'd on Sheet No. 27-18)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E. K. Wagner E. K. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

**TARIFF N.M.S.
(Net Metering Service)**

TERMS AND CONDITIONS FOR LEVEL 2:

To interconnect to the Kentucky Power Company (Company) distribution system, the customer's generating facility shall comply with the following terms and conditions:

- 1 Company shall provide customer net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the customer requests any additional meter/meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the customer's expense.
- 2 Customer shall install, operate, and maintain, at customer's sole cost and expense, any control, protective, or other equipment on the customer's system required by the Company's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient, and reliable operation of the generating facility in parallel with Company's electric system. Customer shall bear full responsibility for the installation, maintenance, and safe operation of the generating facility. Upon reasonable request from the Company, customer shall demonstrate generating facility compliance.
- 3 The generating facility shall comply with, and the customer shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (NEC) as may be revised from time to time; (c) Company's rules, regulations, and Company's Terms and Conditions of Service as contained in Company's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, customer shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4 Any changes or additions to the Company's system required to accommodate the generating facility shall be considered excess facilities. Customer shall agree to pay Company for actual costs incurred for all such excess facilities prior to construction.
- 5 Customer shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics, or otherwise interfere with the operation of Company's electric system. At all times when the generating facility is being operated in parallel with Company's electric system, customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system. Customer shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Company's ability to meet its primary responsibility of furnishing reasonably adequate service to its customers.

(Cont'd on Sheet No. 27-19)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E. K. Wagner DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

**TARIFF N.M.S.
(Net Metering Service)**

TERMS AND CONDITIONS FOR LEVEL 2, continued

- 6 Customer shall be responsible for protecting, at Customer's sole cost and expense, the generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that the Company shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of the Company.
- 7 After initial installation, Company shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the generating facility comply with the requirements of this tariff.
- 8 For Level 2 generating facilities, where required by the Company, an eligible customer shall furnish and install on customer's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the customer's energy generating equipment from Company's electric service under the full rated conditions of the customer's generating facility. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Company personnel at all times. The Company may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under the Company's safety and operating protocols.
- The Company shall establish a training protocol for line workers on the location and use of the EDS, and shall require that the EDS be used when appropriate, and that the switch be turned back on once the disconnection is no longer necessary.
- 9 Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require the customer to discontinue operation of the generating facility if Company believes that: (a) continued interconnection and parallel operation of the generating facility with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or customer's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability or power quality of Company's electric system; or (c) the generating facility interferes with the operation of Company's electric system. In non-emergency situations, Company shall give customer notice of noncompliance including a description of the specific noncompliance condition and allow customer a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Company is unable to immediately isolate or cause the customer to isolate only the generating facility, the Company may isolate the customer's entire facility.

(Cont'd on Sheet No. 27-20)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E. K. Wagner DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

**TARIFF N.M.S.
(Net Metering Service)**

TERMS AND CONDITIONS FOR LEVEL 2, continued

- 10 Customer shall agree that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components not resulting in increases in generating facility capacity is allowed without approval.
- 11 To the extent permitted by law, the customer shall protect, indemnify, and hold harmless the Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the customer or the customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating the customer's generating facility or any related equipment or any facilities owned by the Company except where such injury, death or damage was caused or contributed to by the fault or negligence of the Company or its employees, agents, representatives, or contractors.
- The liability of the Company to the customer for injury to person and property shall be governed by the tariff(s) for the class of service under which the customer is taking service.
- 12 The customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy). Customer shall provide Company with proof of such insurance at the time that application is made for net metering.
- 13 By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14 Customer's generating facility is transferable to other persons or service locations only after notification to the Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, customer, or location, the Company will verify that the installation is in compliance with this tariff and provide written notification to the customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, the Company will notify the customer in writing and list what must be done to place the facility in compliance.
- 15 The customer shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

(Cont'd on Sheet No. 27-21)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010
ISSUED BY E. K. Wagner DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

**TARIFF N.M.S.
(Net Metering Service)****TERMS AND CONDITIONS FOR LEVEL 2, continued****Effective Term and Termination Rights**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Customer may terminate this Agreement at any time by giving the Company at least sixty (60) days' written notice; (b) Company may terminate upon failure by the Customer to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of the Company, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) the Company may terminate by giving the Customer at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

Customer Signature: _____

Date: _____

Printed Name: _____

Title: _____

Company Signature: _____

Date: _____

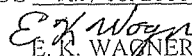
Printed Name: _____

Title: _____

(Cont'd on Sheet No. 27-22)

DATE OF ISSUE July 16, 2010DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY


E. R. WAGNER

DIRECTOR REGULATORY SERVICES

FRANKFORT, KENTUCKY

NAME

TITLE

ADDRESS

**TARIFF N.M.S.
(Net Metering Service)****Interconnection Agreement – Level 2
Exhibit A**

- Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.
- When construction of the Company's facilities is required, Exhibit A will also contain a description and associated cost.
- Exhibit A will also specify requirements for a Company inspection and witness test and when limited operation for testing or full operation may begin.

DATE OF ISSUE July 16, 2010DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. Wagner E. K. WAGNER DIRECTOR REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

**TARIFF C.C.
(Capacity Charge)****AVAILABILITY OF SERVICE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, S.G.S., Experimental S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P., C.I.P.-T.O.D., C.S.-I.R.P., M.W., O.L. and S.L.

(T)

RATE.

| | <u>Service Tariff</u> | |
|---------------------------------|-----------------------|----------------------|
| | <u>All Other</u> | <u>C.I.P.-T.O.D.</u> |
| Energy Charge per KWH per month | \$0.000970 | \$0.000667 |

(I)

RATE CALCULATION.

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2004-00420 and the Settlement and Stipulation Agreement dated October 20, 2004 as filed and approved by the Commission, Kentucky Power Company is to recover from retail ratepayers the supplemental annual payments tied to the 18-year extension of the Rockport Unit Power Service Agreement (UPSA). Kentucky Power will apply surcharges designed to enable recovery from each tariff class of customers, an annual supplemental payment of \$5.1 million annually in Years 2005 through 2009, and then increases to \$6.2 million annually in Years 2010 through 2021, and then decreases to \$5,792,329 in Year 2022.
2. Kentucky Power will be entitled to receive these annual supplemental payments in addition to the base retail rates established by the Commission. The costs associated with the underlying Rockport Unit 1 and 2 UPSA will continue to be included in base rates.
3. The increased annual revenues will be generated by two different KWH rates, one for CIP-TOD tariff customers and one for All Other tariff customers.
4. The allocation of the additional revenues to be collected from the CIP-TOD tariff customers and All Other tariff customers will be based upon the total annual revenue of each of the two-customer classes. Once the additional revenues have been allocated between the two customer classes based upon total annual Kentucky retail revenue, the additional revenue will be collected within the two customer classes (CIP-TOD and All Other tariffs) on a KWH basis. The KWH rate to be applied to each of these two customer class groups shall be sufficient to generate that portion of the total increase in annual revenues equal to the percentage of total annual revenues produced by each of the two customer class groups (CIP-TOD and All Other tariffs).
5. The Stipulation and Settlement Agreement is made upon the express agreement by the Parties that the receipt by Kentucky Power of the additional revenues called for by Section III(1)(a) and III(1)(b) shall be accorded the ratemaking treatment set out in Section III. In any proceeding affecting the rates of Kentucky Power during the extension of the UPSA under this Stipulation and Settlement Agreement, the provisions of Section III are an express exception to Section VI(4) of the Stipulation and Settlement Agreement.
6. The Capacity Charge factors will be applied to bills monthly and will be shown on the Customer's bill as a separate line item.

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ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF E.S.
(Environmental Surcharge)**APPLICABLE.**

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D. 2, S.G.S., Experimental S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P., C.I.P.-T.O.D., C.S.-I.R.P., M.W., O.L., and S.L.

RATE.

1. The environmental surcharge shall provide for monthly adjustments based on a percent of revenues, equal to the difference between the environmental compliance costs in the base period as provided in Paragraph 3 below and in the current period according to the following formula:

$$\text{Monthly Environmental Surcharge Factor} = \frac{\text{Net KY Retail E(m)}}{\text{KY Retail R(m)}}$$

Where:

Net KY Retail E(m) = Monthly E(m) allocated to Kentucky Retail Customers, net of Over/ (Under) Recovery Adjustment; Allocation based on Percentage of Kentucky Retail Revenues to Total Company Revenues in the Expense Month.

(For purposes of this formula, Total Company Revenues do not include Non-Physical Revenues.)

KY Retail R(m) = Kentucky Retail Revenues for the Expense Month.

2. Monthly Environmental Surcharge Gross Revenue Requirement, E(m)

$$E(m) = CRR - BRR$$

Where:

CRR = Current Period Revenue Requirement for the Expense Month.

BRR = Base Period Revenue Requirement.

3. Base Period Revenue Requirement, BRR

BRR = The Following Monthly Amounts:

| <u>Billing Month</u> | <u>Base Net Environmental Costs</u> |
|----------------------|---|
| JANUARY | \$ 3,991,163 |
| FEBRUARY | 3,590,810 |
| MARCH | 3,651,374 |
| APRIL | 3,647,040 |
| MAY | 3,922,590 |
| JUNE | 3,627,274 |
| JULY | 3,805,325 |
| AUGUST | 4,088,830 |
| SEPTEMBER | 3,740,010 |
| OCTOBER | 3,260,302 |
| NOVEMBER | 2,786,040 |
| DECEMBER | 4,074,321 |
| | <u>\$44,185,079</u> |

(Continued on Sheet 29-2)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E.R. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

TARIFF E.S. (Cont'd)
(Environmental Surcharge)**RATE (Cont'd)**

4. Current Period Revenue Requirement, CRR

$$CRR = [((RB_{KP(C)}) (ROR_{KP(C)}) / 12) + OE_{KP(C)} + (((RB_{IM(C)}) (ROR_{IM(C)}) / 12) + OE_{IM(C)}) (.15) - AS]$$

Where:

| | | |
|---------------|---|--|
| $RB_{KP(C)}$ | = | Environmental Compliance Rate Base for Big Sandy. |
| $ROR_{KP(C)}$ | = | Annual Rate of Return on Big Sandy Rate Base; Annual Rate divided by 12 to restate to a Monthly Rate of Return. |
| $OE_{KP(C)}$ | = | Monthly Pollution Control Operating Expenses for Big Sandy. |
| $RB_{IM(C)}$ | = | Environmental Compliance Rate Base for Rockport. |
| $ROR_{IM(C)}$ | = | Annual Rate of Return on Rockport Rate Base; Annual Rate divided by 12 to restate to a Monthly Rate of Return. |
| $OE_{IM(C)}$ | = | Monthly Pollution Control Operating Expenses for Rockport. |
| AS | = | Net proceeds from the sale of SO ₂ emission allowances, ERCs, and NO _x emission allowances, reflected in the month of receipt. The SO ₂ allowance sales can be from either EPA Auctions or the AEP Interim Allowance Agreement Allocations. |

"KP(C)" identifies components from the Big Sandy Units – Current Period, and "IM(C)" identifies components from the Indiana Michigan Power Company's Rockport Units – Current Period.

The Rate Base for both Kentucky Power and Rockport should reflect the current costs associated with the 1997 Plan and the 2003 Plan. The Rate Base for Kentucky Power should also include a cash working capital allowance based on the 1/8 formula approach, due to the inclusion of Kentucky Power's accounts receivable financing in the capital structure and weighted average cost of capital. The Operating Expenses for both Kentucky Power and Rockport should reflect the current operating expenses associated with the 1997 Plan, the 2003 Plan, the 2005 Plan and the 2007 Plan.

The Rate of Return for Kentucky Power is 10.5% rate of return on equity as authorized by the Commission in its June 28, 2010 Order in Case No. 2009-00459 at page 6.

(Cont'd on Sheet No. 29-3)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010ISSUED BY E.K. Wagner E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESSIssued by authority of an Order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF E.S. (Cont'd)
(Environmental Surcharge)**RATE (Cont'd)**

The Rate of Return for Rockport should reflect the requirements of the Rockport Unit Power Agreement.

Net Proceeds from the sale of emission allowances and ERCs that reflect net gains will be a reduction to the Current Period Revenue Requirement, while net losses will be an increase.


The Current Period Revenue Requirement will reflect the balances and expenses as of the Expense Month of the filing.

5. Environmental costs "E" shall be the Company's costs of compliance with the Clean Air Act and those environmental requirements that apply to coal combustion wastes and by-products, as follows:

- (a) cost associated with Continuous Emission Monitors (CEMS)
- (b) costs associated with the terms of the Rockport Unit Power Agreement
- (c) the Company's share of the pool capacity costs associated with Gavin scrubber(s)
- (d) return on SO₂ allowance inventory
- (e) costs associated with air emission fees
- (f) over/under recovery balances between the actual costs incurred less the amount collected through the environmental surcharge
- (g) costs associated with any Commission's consultant approved by the Commission
- (h) costs associated with Low Nitrogen Oxide (NO_x) burners at the Big Sandy Generating Plant
- (i) costs associated with the consumption of SO₂ allowances
- (j) costs associated with the Selective Catalytic Reduction (SCR) at the Big Sandy Generating Plant
- (k) costs associated with the upgrade of the precipitator at the Big Sandy Generating Plant
- (l) costs associated with the over-fire air with water injection at the Big Sandy Generating Plant
- (m) costs associated with the consumption of NO_x allowances
- (n) return on NO_x allowance inventory
- (o) 25% of the costs associated with the Reverse Osmosis Water System (the amount is subject to adjustment at subsequent 6 month surcharge reviews based on the documented utilization of the RO Water System by the SCR)
- (p) costs associated with operating approved pollution control equipment

(Cont'd on Sheet No. 29-4)

DATE OF ISSUE July 16, 2010 DATE EFFECTIVE Service rendered on and after June 29, 2010

ISSUED BY E. K. WAGNER  DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY
NAME TITLE ADDRESS

Issued by authority of an order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF E.S. (Cont'd)
(Environmental Surcharge)**RATE (Cont'd)**

- (q) costs associated with maintaining approved pollution control equipment including material and contract labor (excluding plant labor)
- (r) the Company's share of the pool Capacity costs associated with the following:
- Amos Unit No. 3 CEMS, Low NO_x Burners, SCR, FGD, Landfill, Coal Blending Facilities and SO₃ Mitigation
 - Cardinal Unit No 1 CEMS, Low NO_x Burners, SCR, Catalyst Replacement, FGD, Landfill and SO₃ Mitigation
 - Gavin Plant SCR and SCR Catalyst Replacement
 - Gavin Unit No 1 and 2 Low NO_x Burners and SO₃ Mitigation
 - Kammer Unit Nos 1, 2 and 3 CEMS, Over Fire Air and Duct Modification
 - Mitchell Unit Nos 1 and 2 Water Injection, Low NO_x burners, Low NO_x burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO₃ Mitigation
 - Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities
 - Muskingum River Unit No 1 Low NO_x Ductwork, Over Fire Air , Over Fire Air Modification, Water Injection and Water Injection Modification
 - Muskingum River Unit No 2 Low NO_x Ductwork, Over Fire Air, Over Fire Air Modification and Water Injection
 - Muskingum River Unit No 3 Over Fire Air, Over Fire Air Modification with NO_x Instrumentation
 - Muskingum River Unit No 4 Over Fire Air with Modification
 - Muskingum River Unit No 5 Low NO_x Burner with Modification and Weld Overlay, an SCR and SO₃ Mitigation
 - Muskingum River Common CEMS
 - Phillip Sporn Unit No 2 Low NO_x Burners with Modifications
 - Phillip Sporn Unit No 4 and 5 Low NO_x Burners and Modulating Injection Air system with Modifications
 - Phillip Sporn Common CEMS, SO₃ Injection System and Landfill
 - Rockport Unit No 1 and 2 Low NO_x Burners and Landfill

(Cont'd on Sheet No. 29-5)

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TARIFF E.S. (Cont'd)
(Environmental Surcharge)**RATE (Cont'd)**

- Tanners Creek Unit No 1 Low NO_x Burners, with Modifications and Low NO_x Burners Leg Replacement
 - Tanners Creek Unit No 2 and 3 Low NO_x Burners with Modifications
 - Tanners Creek Unit No 4 Over Fire Air, Low NO_x Burners and ESP Controls Upgrade
 - Tanners Creek Common CEMS and Coal Blending Facilities
 - Title V Air Emission Fees at Amos, Cardinal, Gavin, Kammer, Mitchell, Muskingum River, Phillip Sporn, Rockport and Tanners Creek plants.
6. The monthly environmental surcharge shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.

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NAME TITLE ADDRESSIssued by authority of an order of the Public Service Commission in Case No. 2009-00459 dated June 28, 2010

TARIFF R.T.P.
(Experimental Real-Time Pricing Tariff)AVAILABILITY OF SERVICE.TARIFF CODESQ.P. Tariff366 Secondary
367 Primary
368 Sub transmission
369 TransmissionsCIP-TOD Tariff377 Primary
378 Sub transmission
379 Transmission

Available for Real-Time Pricing (RTP) service, on an experimental basis, to customers normally taking firm service under Tariffs Q.P. or C.I.P.-T.O.D. for their total capacity requirements from the Company. The customer will pay real-time prices for load in excess of an amount designated by the customer. This experimental tariff will be limited to a maximum of 10 customers. The incremental cost of any special metering or communications equipment required for service under this experimental tariff beyond that normally provided under the applicable standard Q.P. or C.I.P.-T.O.D. tariff shall be borne by the customer. The Company reserves the right to terminate this Tariff at any time after the end of the experiment

PROGRAM DESCRIPTION.

The Experimental Real-Time Pricing Tariff is voluntary and will be offered on a pilot basis through June 2013. The RTP Tariff will offer customers the opportunity to manage their electric costs by shifting load from higher cost to lower cost pricing periods or by adding new load during lower price periods. The experimental pilot will also offer the customer the ability to experiment in the wholesale electricity market by designating a portion of the customer's load subject to standard tariff rates with the remainder of the load subject to real-time prices. The designated portion of the customer's load is billed under the Company's standard Q.P. or C.I.P.-T.O.D. tariff. The remainder of the customer's capacity and energy load is billed at prices established in the PJM Interconnection, L.L.C. (PJM) RTO market.

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CONDITIONS OF SERVICE.

The customer must have a demand of not less than 1 MW and specify at least 100 kW as being subject to this Tariff. The customer designates the maximum amount of load to be supplied by Kentucky Power Company under the applicable Tariff Q.P. or Tariff C.I.P. - T.O.D. All usage equal to or less than the customer-designated level of load will be billed under the appropriate Tariff Q.P. or Tariff C.I.P. - T.O.D. All usage in excess of the customer-designated level will be billed under Tariff RTP. All reactive demand shall be billed in accordance with the appropriate Tariff Q.P. or Tariff C.I.P. - T.O.D.

RATE.

I. Capacity Charge.

The Capacity Charge, stated in \$/kW, will be determined from the auction price set in the Reliability Pricing Model (RPM) auction held by PJM for each PJM planning year. The auction price will be adjusted by the class average diversity factor (DF) derived from billing demands for the preceding year and the 5 highest coincident peaks established for the class at the time of the 5 highest PJM hourly values. The price will be further adjusted for demand losses (DL) and a factor to reflect the PJM-required reserve margin (RM).

$$\text{Capacity Charge} = \text{RPM} \times \text{DF} \times \text{DL} \times \text{RM}$$

Where:

RPM = Results of the annual RPM auction price applicable to the AEP load zone = \$5 301/kW-month

DF = Diversity Factor

C.I.P. - T.O.D. = 0.72

Q.P. = 0.72

DL = Demand Loss Factor

RM = Reserve Margin = RPM clearing price reserve margin = 1.165

(I)

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(Cont'd on Sheet No. 30-2)

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TARIFF R.T.P.
(Experimental Real-Time Pricing Tariff)

RATE (continued).

2. Energy Charge.

The Energy Charge, stated in \$/KWH, will be determined hourly using the AEP East Load Zone Real-Time Locational Marginal Price (LMP) established by PJM (including marginal losses), adjusted for energy losses (EL). The charge will be applied to the usage in excess of the customer-designated level for each billing period.

$$\text{Energy Charge} = \text{LMP} \times \text{EL}$$

Where:

LMP = AEP East Load Zone Real-Time Locational Marginal Price

EL = Energy Loss Factor excluding marginal losses for transmission and subtransmission

3. Transmission Charge.

The Transmission Charge, stated in \$/kW, will be determined from the Network Integration Transmission Service (NITS) rate for the AEP East Zone. The NITS rate will be adjusted by the class average diversity factor (DF) derived from billing demands for the preceding year and the coincident peak established for the class at the time of the highest AEP East Zone hourly value. The price will be further adjusted for demand losses (DL).

$$\text{Transmission Charge} = \text{NITS} \times \text{DF} \times \text{DL}$$

Where:

NITS = NITS Rate for the AEP East Zone = \$ 2.1116/kW

DF = Diversity Factor

C.I.P. - T.O.D. = 0.66

Q.P. = 0.63

DL = Demand Loss Factor

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4. Other Market Services Charge.

The Other Market Services Charge, stated in \$/KWH is developed using all other PJM related market costs allocated to Kentucky Power Company from PJM not captured elsewhere. It is applied to all usage in excess of the customer-designated level for each billing period.

Secondary = \$0.002499/KWH

Primary = \$0.002404/KWH

Subtransmission = \$0.002359/KWH

Transmission = \$0.002337/KWH

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5. Distribution Charge.

The Distribution Charge, stated in \$/kW, is equivalent to the distribution portion of the current rates included in Tariff Q P. and Tariff C.I.P. - T.O.D.

Secondary = \$7.39/kW

Primary = \$4.34/kW

(I)

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(Cont'd on Sheet No. 30-3)

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TARIFF R.T.P.
(Experimental Real-Time Pricing Tariff)

RATE (continued).

6. Program Charge.

The Program Charge is \$150 per month for billing, administration and communications required to implement and administer the Experimental Real-Time Pricing Tariff.

7. Riders.

Bills rendered under this Tariff for RTP usage shall be subject to any current or future non-generation related riders.

A customer's total bill shall equal the sum of the RTP bill for all usage in excess of the customer-designated level and the standard tariff bill for usage equal to or below the designated level.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(T)

METERED VOLTAGE.

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered kWh and kW values will be adjusted for billing purposes. If the Company elects to adjust kWh and kW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

MONTHLY BILLING DEMAND.

Billing demand in KW shall be taken each month as the highest single 15-minute integrated peak in KW as registered during the month by a demand meter. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity set forth on the contract for electric service or (b) the customer's highest previously established monthly billing demand during the past 11 months. The RTP monthly billing demand shall be the customer's monthly billing demand in excess of the customer-designated level.

TERM.

Customers who participate in this experimental tariff are required to enter into a written service agreement. Customers must enroll for a 12-month period and must stay with the service for an entire year. Customers who choose not to re-enroll in the program are ineligible to return to the program. No additional customers will be placed under this tariff after July 1, 2012.

(T)

(Cont'd on Sheet No. 30-4)

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TARIFF R.T.P.
(Experimental Real-Time Pricing Tariff)

TRANSFORMER AND LINE LOSSES.

Demand losses will be applied to the Capacity and Transmission Charges using the following factors:

Secondary = 1.10221
Primary = 1.06570
Subtransmission = 1.04278
Transmission = 1.03211

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Energy losses will be applied to the Energy Charge using the following factors:

Secondary = 1.06938
Primary = 1.02972
Subtransmission = 1.00954
Transmission = 1.00577

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SPECIAL TERMS AND CONDITIONS.

This tariff is subject to the Company's Terms and Conditions of Service.

A customer's plant is considered as one or more buildings, which are served by a single electrical distribution system provided and operated by customer. When the size of the customer's load necessitates the delivery of energy to the customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Customers with PURPA Section 210 qualifying cogeneration and/or small power production facilities shall take service under Tariff COGEN/SPP II or by special agreement with the Company.

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RIDER G.P.O.
(Green Pricing Option Rider)**AVAILABILITY OF SERVICE.**

Available to customers taking metered service under the Company's R.S., R.S.-L.M.-T.O.D., Experimental R.S.-T.O.D.2, S.G.S., Experimental S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P., C.I.P.-T.O.D., C.S.-I.R.P. and M.W. tariffs. (T)

Participation in this program may be limited by the ability of the Company to procure renewable energy certificates (RECs) from Renewable Resources. If the total of all kWh under contract under this Rider equals or exceeds the Company's ability to procure RECs, the Company may suspend the availability of this Rider to new participants.

CONDITIONS OF SERVICE.

Customers who wish to support the generation of electricity by Renewable Resources may contract to purchase each month a specific number of fixed kWh blocks, where each block equals 100 kWh. Customers may elect to purchase a minimum of one (1) block per month and a maximum of 500 blocks per month.

Renewable Resources shall be defined as Wind, Solar Photovoltaic, Biomass Co-Firing of Agricultural crops and all energy crops, Hydro (as certified by the Low Impact Hydro Institute), Incremental Improvements in Large Scale Hydro, Coal Mine Methane, Landfill Gas, Biogas Digesters, Biomass Co-Firing of All Woody Waste including mill residue, but excluding painted or treated lumber. Only Renewable Resources brought into service on or after January 1, 1997 shall qualify.

RATE.

In addition to the monthly charges determined according to the Company's tariff under which the customer takes metered service, the customer shall also pay the following rate for each fixed kWh block under contract regardless of the customer's actual energy consumption during that month. The charge will be applied to the customer's bill as a separate line item.

The Company will provide customers at least 30-days' advance notice of any change in the Rate. At such time, the customer may modify or cancel their automatic monthly purchase agreement. Any cancellation will be effective at the end of the current billing period when notice is provided.

Charge (\$ per 100 kWh block): \$ 2.00/month

TERM.

This is a voluntary program. Customers may participate through a one-time purchase, or establish an automatic monthly purchase agreement. Any payments under this program are nonrefundable.

SPECIAL TERMS AND CONDITIONS.

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the customer takes service, including all payment provisions. The Company may deny or terminate service under this Rider to customers who are delinquent in payment to the Company.

Funds collected under this Green Pricing Option Rider will be used solely to purchase RECs for the program.

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RIDER A.F.S.
(Alternate Feed Service Rider)

AVAILABILITY OF SERVICE.

Standard Alternate Feed Service (AFS) is a premium service providing a redundant distribution service provided through a redundant distribution line and distribution station transformer, with automatic or manual switch-over and recovery, which provides increased reliability for distribution service. Rider AFS applies to those customers requesting new or upgraded AFS after the effective date of this rider. Rider AFS also applies to existing customers that desire to maintain redundant service when the Company must make expenditures in order to continue providing such service.

Rider AFS is available to customers who request a primary voltage alternate feed and who normally take service under Tariffs M.G.S., M.G.S. TOD, L.G.S., L.G.S.-TOD, Q.P., C.I.P. TOD, or M.W. for their basic service requirements, provided that the Company has adequate capacity in existing distribution facilities, as determined by the Company, or if changes can be made to make capacity available. AFS provided under this rider may not be available at all times, including emergency situations.

SYSTEM IMPACT STUDY CHARGE.

The Company shall charge the customer for the actual cost incurred by the Company to conduct a system impact study for each site reviewed. The study will consist of, but is not limited to, the following: (1) identification of customer load requirements, (2) identification of the potential facilities needed to provide the AFS, (3) determination of the impact of AFS loading on all electrical facilities under review, (4) evaluation of the impact of the AFS on system protection and coordination issues including the review of the transfer switch, (5) evaluation of the impact of the AFS request on system reliability indices and power quality, (6) development of cost estimates for any required system improvements or enhancements required by the AFS, and (7) documentation of the results of the study. The Company will provide to the customer an estimate of charges for this study.

EQUIPMENT AND INSTALLATION CHARGE.

The customer shall pay, in advance of construction, a nonrefundable amount for all equipment and installation costs for all dedicated and/or local facilities provided by the Company required to furnish either a new or upgraded AFS. The payment shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. The customer will not acquire any title in said facilities by reason of such payment. The equipment and installation charge shall be determined by the Company and shall include, but not be limited to, the following: (1) all costs associated with the AFS dedicated and/or local facilities provided by the Company and (2) any costs or modifications to the customer's basic service facilities.

The customer is responsible for all costs associated with providing and maintaining phone service for use with metering to notify the Company of a transfer of service to the AFS or return to basic service.

TRANSFER SWITCH PROVISION.

In the event the customer receives basic service at primary voltage, the customer shall install, own, maintain, test, inspect, operate and replace the transfer switch. Customer-owned switches are required to be at primary voltage and must meet the Company's engineering, operational and maintenance specifications. The Company reserves the right to inspect the customer-owned switches periodically and to disconnect the AFS for adverse impacts on reliability or safety.

(Cont'd on Sheet No. 32-2)

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RIDER A.F.S.
(Alternate Feed Service Rider)**TRANSFER SWITCH PROVISION (continued).**

Existing AFS customers, who receive basic service at primary voltage and are served via a Company-owned transfer switch and control module, may elect for the Company to continue ownership of the transfer switch. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, the customer shall pay the Company the total cost to replace such equipment which shall be grossed up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer shall pay a monthly rate of \$13.57 for the Company to annually test the transfer switch / control module and the customer shall reimburse the Company for the actual costs involved in maintaining the Company-owned transfer switch and control module.

In the event a customer receives basic service at secondary voltage and requests AFS, the Company will provide the AFS at primary voltage. The Company will install, own, maintain, test, inspect and operate the transfer switch and control module. The customer shall pay the Company a nonrefundable amount for all costs associated with the transfer switch installation. The payment shall be grossed-up for federal and state taxes, assessment fees and gross receipts taxes. In addition, the customer is required to pay the monthly rate for testing and ongoing maintenance costs defined above. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, customer shall pay the Company the total cost to replace such equipment which shall be grossed up for federal and state taxes, assessment fees and gross receipts taxes.

After a transfer of service to the AFS, a customer utilizing a manual or semi-automatic transfer switch shall return to the basic service within one (1) week or as mutually agreed to by the Company and customer. In the event system constraints require a transfer to be expedited, the Company will endeavor to provide as much advance notice as possible to the customer. However, the customer shall accomplish the transfer back to the basic service within ten minutes if notified by the Company of system constraints. In the event the customer fails to return to basic service within 12 hours, or as mutually agreed to by the Company and customer, or within ten minutes of notification of system constraints, the Company reserves the right to immediately disconnect the customer's load from the AFS source. If the customer does not return to the basic service as agreed to, or as requested by the Company, the Company may also provide 30 days' notice to terminate the AFS agreement with the customer.

The customer shall make a request to the Company for approval three days in advance for any planned switching.

MONTHLY AFS CAPACITY RESERVATION DEMAND CHARGE.

Monthly AFS charges will be in addition to all monthly basic service charges paid by the customer under the applicable tariff.

The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is \$4.34 per kW.

AFS CAPACITY RESERVATION.

The customer shall reserve a specific amount of AFS capacity equal to, or less than, the customer's normal maximum requirements, but in no event shall the customer's AFS capacity reservation under this rider exceed the capacity reservation for the customer's basic service under the appropriate tariff. The Company shall not be required to supply AFS capacity in excess of that reserved except by mutual agreement.

(Cont'd on Sheet No. 32-3)

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**RIDER A.F.S.
(Alternate Feed Service Rider)**

(N)

AFS CAPACITY RESERVATION (continued).

If the customer plans to increase the AFS demand at anytime in the future, the customer shall promptly notify the Company of such additional demand requirements. The customer's AFS capacity reservation and billing will be adjusted accordingly. The customer will pay the Company the actual costs of any and all additional dedicated and/or local facilities required to provide AFS in advance of construction and pursuant to an AFS construction agreement. If customer exceeds the agreed upon AFS capacity reservation, the Company reserves the right to disconnect the AFS. If the customer's AFS metered demand exceeds the agreed upon AFS capacity reservation, which jeopardizes company facilities or the electrical service to other customers, the Company reserves the right to disconnect the AFS immediately. If the Company agrees to allow the customer to continue AFS, the customer will be required to sign a new AFS agreement reflecting the new AFS capacity reservation. In addition, the customer will promptly notify AEP regarding any reduction in the AFS capacity reservation.

The customer may reserve partial-load AFS capacity, which shall be less than the customer's full requirements for basic service subject to the conditions in this provision. Prior to the customer receiving partial-load AFS capacity, the customer shall be required to demonstrate or provide evidence to the Company that they have installed demand-controlling equipment that is capable of curtailing load when a switch has been made from the basic service to the AFS. The Company reserves the right to test and verify the customer's ability to curtail load to meet the agreed upon partial-load AFS capacity reservation.

DETERMINATION OF BILLING DEMAND.**Full-Load Requirement:**

For customers requesting AFS equal to their load requirement for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly billing demand on the AFS during the past 11 months, or (c) the customer's basic service capacity reservation, or (d) the customer's highest previously established monthly billing demand on the basic service during the past 11 months.

Partial-Load Requirement:

For customers requesting partial-load AFS capacity reservation that is less than the customer's full requirements for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak on the AFS as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly metered demand on the partial-load AFS during the past 11 months.

DELAYED PAYMENT CHARGE.

This tariff is due and payable in full on or before the due date stated on the bill. On all accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

(N)

(Cont'd on Sheet No. 32-4)

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RIDER A.F.S.
(Alternate Feed Service Rider)**TERMS OF CONTRACT.**

The AFS agreement under this rider will be made for a period of not less than one year and shall remain in effect thereafter until either party shall give at least six months' written notice to the other of the intention to discontinue service under the terms of this rider.

Disconnection of AFS under this rider due to reliability or safety concerns associated with customer-owned transfer switches will not relieve the customer of payments required hereunder for the duration of the agreement term.

SPECIAL TERMS AND CONDITIONS.

This rider is subject to the Company's Terms and Conditions of Service.

Upon receipt of a request from the customer for non-standard AFS (AFS which includes unique service characteristics different from standard AFS), the Company will provide the customer with a written estimate of all costs, including system impact study costs, and any applicable unique terms and conditions of service related to the provision of the non-standard AFS. An AFS agreement will be filed with the Commission under the 30-day filing procedures. The AFS agreement shall provide full disclosure of all rates, terms and conditions of service under this rider, and any and all agreements related thereto.

The Company will have sole responsibility for determining the basic service circuit and the AFS circuit.

The Company assumes no liability should the AFS circuit, transfer switch, or other equipment required to provide AFS fail to operate as designed, is unsatisfactory, or is not available for any reason.

(N)

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U.G.R.T.
(Utility Gross Receipts Tax)
(School Tax)

APPLICABLE.

To all Tariff Schedules.

RATE.

This tariff schedule is applied as a rate increase pursuant to KRS 160.617 to all other tariff schedules for the recovery by the utility of the utility gross receipts license tax imposed by the applicable school district pursuant to KRS 160.613 with respect to the customer's bill. The current utility gross receipts license tax for school imposed by a school district may not exceed 3%. The utility gross receipts license tax shall appear on the customer's bill as a separate line item.

(N)

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K.S.T.
(Kentucky Sales Tax)**APPLICABLE.**

To all Tariff Schedules.

RATE.

This tariff schedule is applied as a rate increase to all other applicable tariff schedules for the recovery by the utility pursuant to KRS 139.210 of the Kentucky Sales Tax imposed by KRS 139.200 for all customers not exempted by KRS 139.470(8). For any other exempt customers, an exemption certification must be received and on file with the Company. The Kentucky Sales Tax rate is currently imposed by the Commonwealth of Kentucky at the rate of 6%. The Kentucky Sales Tax shall appear on the customer's bill as a separate line item.

(N)

(N)

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